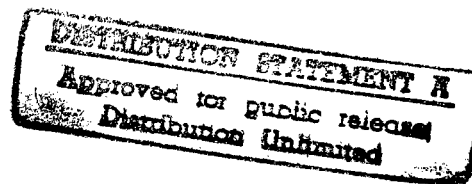


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24 June 1991

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REGIONAL AFFAIRS

Damascus Declaration Meeting First Week in July

91AA0408A London AL-SHARQ AL-AWSAT in Arabic
21 May 91 p 2

[Article: "Foreign Ministers of Damascus Declaration Countries to Meet in Kuwait in July"]

[Text] AL-SHARQ AL-AWSAT has learned from Arab sources in Cairo that the next meeting of the foreign ministers of the Damascus Declaration countries will be held in Kuwait during the first week of July while the experts' meeting will be held next month in Qatar to draw up a working paper on the steps needed to get under way the implementation of the Damascus Declaration with respect to security and economic cooperation.

The sources said that these meetings will focus on the study of the proper mechanisms for the implementation of the Damascus Declaration provisions, of means of economic cooperation, and of the principles for allotting financial subsidies the GCC countries have allocated in support of the Egyptian and Syrian economies. This is in addition to coordinating the Damascus Declaration countries' positions on current Arab and international issues, the Middle East question in particular, in light of the Gulf countries' willingness to attend the peace conference as observers.

The sources said that the eight Damascus Declaration signatories are in full accord on their continued commitment and adherence to the declaration, which set the rules for Arab cooperation, including drawing up rapid and carefully thought-out steps to implement the provisions contained in this declaration in light of developments in the Arab and international arenas. The sources also said that this declaration does not nullify the existing formulas for bilateral relations among those countries, including the creation of joint higher committees.

Meanwhile, observers in the Egyptian capital emphasized that statements made recently by Egyptian President Husni Mubarak during his visit to Italy, about Egypt's willingness to send other troops to the Gulf area when the details for implementing the Damascus Declaration are worked out, are viewed as a response to certain forces that interpreted Egypt's decision to withdraw its troops from the Gulf as a setback for the Damascus Declaration, and that the size of Egyptian and Syrian participation will be determined during the upcoming Damascus Declaration countries' consultations. This is besides these countries' agreement to strengthen bilateral or multilateral relations and military cooperation among them.

Coptic Presence, Influence in West, Africa Discussed

91AA0412A London AL-MAJALLAH in Arabic
22 May 91 pp 22-23, 25

[Interview with Coptic Patriarch Shenuda III by 'Abd-al-Latif al-Minawi in Cairo; date not given: "Pope Shenuda Replies Frankly to a Number of Charges"]

[Excerpts] [passage omitted]

[Al-Minawi] The Egyptian Coptic Church continued to hold a certain attitude toward the World Council of Churches (WCC) that was founded in 1948. Now, after about 43 years, you have come to be one of the heads of the WCC in your capacity as head of the Egyptian Coptic Church. Why this change?

[Shenuda] Is there any harm in the fact that the Coptic Church's representative is one of the WCC's presidents, rather than being a member of its Central or Executive Committee, for example? Objectively, is the important thing participation in the WCC, or the level of representation in it? Either we do not participate in it at all, or we participate in it and have an active and influential role in it. This is one point. The second point is whether our absence from an international-level council with a membership of about 300 churches from more than 100 countries and lands would be good or whether it would be a harmful absence. Even the Catholic Church, which is not a WCC member, has observers who attend its sessions. Representatives of many religions are also invited to the WCC.

We are eager for Egypt to be represented in learned bodies of whatever kind, political, scientific, social, or health-related. Is there any harm in Egypt's being represented in an international religious body like the WCC, which has relations with the United Nations and attends it as a member? Why shouldn't we benefit from being present in this council? At least we observe its work, participate in its discussions, and have an influence on its decisions. What is the harm? If you see any, please tell me.

Throughout our history as a member of the WCC, our church has had a positive influence beneficial to our country. The examples of this are many. As for the phrase, "Why the change?"—I do not think any change has occurred. I think the church has remained the same as a member of the WCC during the reign of three patriarchs—Yusab II, until 1956; Kyrillos VI, until the end of 1971; and Shenuda III, until the present time. [passage omitted]

Intellectuals' Attack

[Al-Minawi] A group of Coptic intellectuals issued a series of publications in 1962, attacking the WCC and accusing it of encouraging churches to interfere in the affairs of their countries, especially developing ones. Why didn't the church change its position after these publications revealed these dimensions?

[Shenuda] These publications were only half of what actually happened. The other half was that His Holiness Pope Kyrillos VI formed a committee of senior Coptic laymen and clergy to examine the matter. The committee discovered that the charges in the publications were false and responded to them in a 32-page booklet. To be fair to the facts, I hope that if these publications are mentioned, the response to them will also be mentioned.

As for the charge that the WCC encourages churches to interfere in the affairs of their countries, this is in fact against the constitution.

These publications were actually against the church's representative to the WCC, Archpriest Makari al-Suryani. They were printed in early August, 1962. Archpriest Makari was promoted to the episcopate as Amba Samuel late in September of the same year. This shows that Pope Kyrillos VI was absolutely not influenced by the contents of the publications. Amba Samuel continued to represent the Coptic Church in the WCC with the pope's permission until his death. I would add that if the government had thought that the church's relation to the WCC had harmful dimensions, the government's position would have been different.

[Al-Minawi] What do you mean?

(Pope Shenuda opened a booklet entitled, "About the World Council of Churches," and read from one of its pages:)

[Shenuda, reading] "When the Tripartite Aggression took place against Egypt, the chairman and vice chairman of the Central Committee and the secretary general issued a resolution on 2 November 1956 that was sent as a telegram to member churches. As a result of this telegram from the WCC, Christian conscience was aroused against the aggressor countries. The churches arose and protested against the aggression, and the WCC sent relief to the victims in Port Said at that time. On the basis of a memorandum submitted by then Treasury Minister 'Abd-al-Latif Bughdadi, expressing appreciation for the WCC's efforts, President Jamal 'Abd-al-Nasir issued a decree exempting this relief from customs duties. In addition, our ambassadors abroad praised the work of the Council. For example, at the time of the WCC's 1961 meeting in New Delhi, our ambassador to India, Professor Ahmad Hasan al-Fiqi, gave a party for WCC members. It was attended by about 90 heads of churches. He praised the WCC's resolutions working for the preservation of peace and the liberation of mankind.

"If the Council is as these publications charge it with being—namely, encouraging churches to interfere in the affairs of their countries—such interference as actually occurred was before these publications in the beginning of the sixties and afterwards. When these publications were written, Amba Shenuda was not the pope of the church, but was a monk living in his cave in the mountains."

Israel's Role

[Al-Minawi] But isn't the WCC under the influence of Zionist forces?

[Shenuda] If that were true, the WCC would not have condemned the 1956 aggression, in which Israel participated. That is one point. Another point is that in 1954 the Coptic Church's representative to the WCC succeeded in persuading the WCC to delete the name "Israel" from conference reports. The conference complied. The news was published in AL-AHRAM on 1 September 1954 under the headline, "Great Victory for Egypt's Envoys." He also succeeded in having the expression, "God's chosen people," deleted at New Delhi. The delegate of the Egyptian Church convinced the WCC that the name "Israel" in the Old Testament has absolutely no relation to the current "Israel" as a political circumstance. [passage omitted]

[Al-Minawi] Can you affirm and are you certain that the WCC does not encourage Christian churches, especially in the Third World, to play a political role and pressure their governments?

[Shenuda] The WCC's constitution specifies that the WCC does not interfere in any way in the affairs of the churches. Each church may accept or reject its resolutions, and it in no way interferes in political matters. None of its resolutions—they are really recommendations, more than resolutions—is binding except on those who wish to abide by it. However, I want to say that the WCC has humanitarian activities that it must perform, such as defending human freedom, aiding refugees, bringing relief to countries hit by disasters, and defending peoples who suffer racial discrimination, whatever their race or religion.

In this context, the WCC has given a great deal of assistance to developing countries in Africa, Asia, and Latin America and has defended the aboriginal people of Australia.

Among the countries to which the WCC has given assistance are Algeria, Morocco, and the Arab refugees. The WCC has cared for Arab refugees in the Arab countries—for example, the refugees who returned to Algeria at the beginning of the sixties. It opened a special office for this in the city of Constantine and at Dar Ni'mah in Algiers, spending millions of dollars for this purpose.

Within 48 hours of the Agadir earthquake in Morocco, the WCC offered aid to the victims.

Supporting John Garang

[Al-Minawi] Under what heading does the WCC's support for John Garang in southern Sudan come?

[Shenuda] I do not know much about this subject. Most likely, the motive is humanitarian also, since there is a famine in southern Sudan.

[Al-Minawi] It is clear that the Egyptian Church was satisfied with a certain level of representation from the beginning of its participation in the WCC until last year. What led it to consider a rise in the level of representation, with you participating personally? Does this represent an ambition to play a larger role?

[Shenuda] The heads of the WCC are always chosen by election. At the meeting of the General Assembly whose members were in Canberra this year there were about 1,000 members. I was elected after nominations by a special committee in which our church was but one of about 30 members. So the other question is not whether the church is ambitious to raise its representation; these were decisions of the General Assembly, in which the Coptic Church's representatives were 10 out of 1,000 members. If there is special esteem for the Coptic Church with all its heritage and history, the matter transcends the level of any individual desire.

However, by WCC tradition, among the WCC's presidents there must be someone representing the Middle East and someone representing the ancient eastern churches. At the last session, the Middle East was represented by Greek Orthodox Patriarch Ignatios Hazim of Antioch. At New Delhi, the ancient churches were represented by Metropolitan Gregorios. Since the presidents and all leaders change every seven years, the choice at this session fell on the pope of Alexandria.

As for the rise in the Coptic Church's representation, this is something of a natural development for a venerable ancient church that participated in the council 43 years ago, and whose representation gradually rose from Archbishop Ibrahim Luka and Archbishop Makari, to Bishop Amba Samuel, Metropolitan Amba Athanasios, and then to the patriarch himself. This is a natural situation, particularly since the WCC includes many heads of churches.

I should add that His Beatitude Bathinos, Greek Orthodox patriarch of Alexandria, was also chosen as a WCC president, representing the other family of the Orthodox. So we ask why there has been such concentration on Pope Shenuda to the exclusion of the other church heads who have entered the WCC presidency and leadership. Had the WCC ignored the pope of Alexandria, would that have caused satisfaction?

[Al-Minawi] On the dais at the first session of the WCC sat John Foster Dulles, brother of the head of the CIA and subsequently American secretary of state. In his speech, he preached spreading Western civilization through Christianity. Doesn't this position hold special significance in your opinion?

[Shenuda] It is customary to invite certain important personalities in the country that hosts the WCC meeting to deliver a speech from the dais, welcoming the Council on behalf of the host country. If Foster Dulles was invited and spoke, that is not strange. In the Western countries, particularly America, everybody speaks as he pleases and no one is committed to what he says. The

WCC is not committed to the view of Dulles, who was not a member. He was simply a guest speaking about Western civilization in his own style. Even the Western members—the WCC is not committed to their love of Western civilization. The WCC includes churches from many nations on all continents. Each nation has its civilization, culture, and traditions. The WCC respects the culture of every country. It certainly does not contemplate abolishing all the world's civilizations and cultures, to spread Western civilizations.

Even if it or some of its members or guests wanted to do so, we Easterners possess a venerable civilization that emerged more than 5,000 years ago. We cannot be influenced by such speeches. Indeed, we are frequently the influential element. I would ask what it was that influenced the civilization of the East and other civilizations after Dulles spoke that way dozens of years ago?

As for linking Dulles with the CIA and financial aid, we utterly deny this. The WCC receives financial aid from member churches, especially the wealthy ones. The German churches probably pay the largest share. While the wealthy American churches contribute, they certainly do not belong to Dulles or to his brother. They have their own free leadership.

Looking West

[Al-Minawi] One notes that the Egyptian Coptic Church is spreading abroad. It now has about 100 churches in Europe, the United States, Canada, and Australia. How do you explain this looking to the West?

[Shenuda] There is no looking to the West at all. What happened is that emigration increased at times both among Muslims and Christians. We found that Copts overseas needed pastoral care. If the church does not care for them, one of two things will happen. Either they will dissolve into the Western orientation, which is a danger for them, or they will join other churches; for everyone has a need to worship, and if his original church is not there for him to pray in, he will pray in a foreign church and will be swallowed up in it. So we established these churches out of concern for our children, to preserve their affiliation with their church and country.

Our establishing 96 churches abroad, 46 of them in America, is not strange if compared with the number of emigrants and the enormous size of the country. For comparison, I would mention that Archbishop Iakovos, head of the Greek Orthodox Church in New York, has over 500 churches under his care. The reason probably is that the Greeks emigrated long before us. The Syrian Orthodox also have an archbishop in America, as do the Ethiopians, Greeks, and others.

[Al-Minawi] When did the project of building Coptic churches overseas begin?

[Shenuda] It began in the late sixties during the lifetime of Pope Kyrillos VI. He built two churches in Australia,

two in the United States, two in Canada, and one in London. When I became head of the church, our children in the diaspora met with me and asked for more churches. Therefore, whenever we see a community of overseas Copts able to construct a church and pay for it, we immediately build one. [passage omitted].

[Al-Minawi] Some people are taking notice of the fact that your overseas visits have become repeated and almost annual. It has also been noted recently that these visits now last for about three months a year. How do you explain this trend?

[Shenuda] All heads of churches without exception visit their churches in the diaspora. In Egypt, all church heads go to visit their children in the diaspora, particularly since these churches, being still in the founding stage, need care. Furthermore, we have not yet appointed bishops and archbishops to tend to the care of our emigrant children; so the burden falls on me.

As for what you mention about the time, that is because of the number of churches. I inspected 70 churches during my 1989 visit. Had each of them taken a day or a day and a half, plus the fatigue of travel, about three months would have been needed. If I refrained from visiting all the churches, those whom I did not visit would become angry and consider it a lack of love or concern.

Trips by clergymen are a widespread and established practice for both Muslims and Christians and for any other religious community. Whenever I travel abroad, people receive me as an Egyptian, not only as a Copt. For example, during my recent visit to London, a meeting was arranged for me with the Egyptian community. It was attended by a large number of Muslims and Christians, by the Egyptian ambassador, and by the head of the community, Professor Ahmad al-Jundi. My speech to them was that of an Egyptian to Egyptians, with no relation to religious questions. When I travel, I do not visit only the Copts; I also visit our embassies and consulates and Islamic associations. I recently visited the London mosque. In Australia, I held a meeting between Islamic and Christian associations, so that they might work together in unity on behalf of their fellow countrymen and new emigrants. We are carrying on general work, not merely church work. [passage omitted].

Former Polisario Leader Discusses Referendum

91AA0400A London AL-SHARQ AL-AWSAT in Arabic
26 May 91 p 4

[Article by Munsif al-Sulaymi]

[Text] Rabat—A prominent founding member and military leader member of the Polisario front asserted that camp inhabitants in Tinduf are eagerly waiting for the UN-supervised referendum in order to rid themselves of their present situation.

Moulay Abbas, who previously assumed military, administrative, and political positions, including the central administration of air defense and military training and the supervising of special antiaircraft artillery and rocket units, in addition to being a member of the Polisario Politburo for several years, told AL-SHARQ AL-AWSAT following his return to Morocco that the Polisario military situation is extremely poor because of the lack of prospects, given the strategic superiority of the Moroccan forces, especially following the building of the security barrier. He said that the Polisario members' poor military situation has led to a state of chaos and lack of discipline.

He said that tribal and personal conflicts have been rife in the military ranks and in the leadership since 1988. The former Polisario official said the Polisario leadership known as "The Seven", that is the seven-man executive committee, has recently effected changes in the front's structural and organizational levels in an attempt to stave off increasingly mounting criticism of the leaders, accusing them of terrorizing the camp inhabitants, enriching themselves at their expense, concluding commercial deals, and smuggling the foodstuffs received as a humanitarian donation from European and international organizations. He said that an expanded committee has been formed consisting of opposition members led by Elbeshir Mustafa Elseied, who is in charge of foreign relations and currently number two man in the Polisario, whom Moulay Abbas describes as the real strongman in the leadership. The front leadership, Moulay Abbas added, was compelled, at plenary meetings held last December, to admit the worsening problems and the conflicts in the army ranks, among the refugees, and in the leadership.

The leadership, according to Moulay Abbas, is also intent on punishing criminals and trouble-makers. A new law, he added, was recently issued to organize service in the Polisario military, which was previously subject to political and ideological as well as recruitment considerations, in view of the serious violations committed against the fighters who were detained inside the camps and were subjected to torture. This situation has prompted international humanitarian organizations to intervene. The leadership said it has noted the army's inclination toward helping uprisings in the camps since 1989, so it has sought to regulate the army position and to contain this inclination. What is more serious, Moulay Abbas said, is that the front leadership has sought to expel opposition elements from the army command, which has created unrest in the fighters' ranks. The situation has developed into strikes and a state of almost total rejection, particularly during the months of November and December last year, he added.

But the former Polisario official considered the amendments which the front leadership started to carry out in the platform of the conference, which is due to be held in late June, as being the result of pressures by certain international organizations. Moulay Abbas said that the problem is one basically between Algeria and Morocco,

pointing out that the Algerians intend to solve the conflict in accordance with the UN-supervised referendum. He said that a final solution of the problem requires, in addition to the referendum which he characterized as an acceptable way out, a political settlement that would provide the Polisario front members a way out of their dilemma. He added that the Polisario leadership, which is aware that the outcome of the referendum will be in favor of the integrity of the Moroccan soil, has no choice other than finding a way to join their country and put a final end to this crisis.

Arab Trade Program Gives Algeria \$4 Million Credit

91AA0408B Algiers AL-SHA'B in Arabic 12 May 91
pp 1, 3

[Article by Salwa Rawabihyah: "Arab Trade Program Signs Two \$4 Million Agreements. Algeria Is Its First Beneficiary"]

[Text] The Arab Trade Program, a part of the Arab Monetary Fund activities, granted its first line of credit since its establishment in 1989 to Algeria when two agreements, one worth 13,556,000 francs, or \$2.5 million, and the other worth 10.3 million francs, or \$1.7 million, to finance imports from Morocco were signed yesterday between the Arab Trade Program and the Bank of Agriculture and Rural Development, the program's national agency in Algeria.

These two agreements, which were signed yesterday in the presence of the program's executive president and board chairman, Mr. Usamah Ja'far Faqih, and the director general of the Arab Investment Insurance Firm, Mr. Ma'mun Ibrahim Hasan, as well as the vice-governor of the Bank of Algeria and his three deputies, and the director general of the Bank of Agriculture and Rural Development, Mr. Mourad Damerdgi.

"These two agreements have taken on great significance", said the Bank of Algiers governor, "especially since Algeria is undergoing economic changes and, therefore, our approaches are basically aimed at encouraging Arab regional business in all fields, with respect to inter-Arab trade in particular."

"It is noteworthy that this line of credit will basically be channeled to businessmen with a view to encouraging the private sector. According to its president, Mr. Usamah, the program aims at providing financing for inter-Arab trade in an effort to contribute to its development and promotion, and to enhance its competitive capacity. He said that Algeria was the first Arab state to benefit from this program and was among the first to support the idea of such a program during the time it was under study, hence the strong material contribution to its financial resources. It offered the largest direct contribution to the program's capital, a grand total of \$500 million.

As for the director of international affairs at the Bank of Agriculture, he pointed to the importance of this line of credit to Algerian businessmen in terms of the import and export of all products in all but the fuel sector, and the promotion of Arab-manufactured products at an interest rate equal to a 25-percent profit margin.

Analysis Weighs Effects of Maghreb-Europe Gas Pipeline

91AA0394B Algiers AL-SHA'B in Arabic 4 May 91
pp 1, 3

[Article by 'Abd-al-Karim Makhalfah]

[Excerpts] Finally, after intensive and prolonged consultations, the Algerian, Spanish, and Moroccan governments have reached a draft agreement on the formal implementation of the projected gas pipeline linking Algeria to Western Europe via Morocco and Spain. [passage omitted]

Observers maintain that this "strategic" pipeline between Algeria and southern Europe will achieve political and economic objectives being sought by the European countries and desired by peoples of the Arab Maghreb. The pipeline is also considered to be the first materialization of economic and political cooperation between the EC and countries of the Arab Maghreb Federation. [passage omitted]

European energy experts have underscored the importance of the new pipeline. They consider it a major and positive contribution to future European-Maghreb cooperation, particularly after economic principles for a Maghreb common market have been laid down. They also believe that the achievement of such a project would "link", indeed force, the Arab Maghreb countries to link their economies to the European economy more so than to the U.S. and Japanese economies. This is the economic and political objective of the EC countries which regard the Maghreb countries, particularly after the winds of democracy have blown in them, as a "virgin" market in the full sense of the word. They also regard them as a potential strategic extension should economic integration between these countries and black Africa succeed in early 2000.

The experts also believe that supplying Algerian natural gas to Europe via Spain is a "winning" deal, particularly with regard to Spain which will enjoy several privileges that other European countries importing Algerian gas might ask for.

On the other hand, energy sources in Spain affirm that the new project, whose total cost, according to the Spanish minister of industry, is estimated at \$13 billion, is a new economic "lung" which would enable the Algerian economy to breathe, the economy that at present is going through a difficult transitional period of liberating prices and converting to market economy. After signing the agreement protocol, the Algerian minister of energy affirmed that the importance of the project for

Algeria does not lie only in the fact that this is yet another source from which to obtain hard currency, but also that it is part of a mid- and long-term strategy which Algeria laid down in order to invade the West European market before Soviet gas exports arrive through the Soviet trans-Siberian pipeline to Eastern Europe. [passage omitted]

The Algerian gas passing through the western pipeline toward Spain and Western Europe is also a form of economic race with time, given the fact that massive natural gas deposits have been discovered in the Gulf countries, such as Qatar and the UAE, and that Britain is increasing its production rate of this strategic matter. [passage omitted]

Finally, it can be said that by signing the agreement on exporting Algerian natural gas to Europe via Spain the Sonatrach company, which has monopolized energy, exploration, and export operations since independence, is now entering the world energy market through its wide gate. The company now ranks with the major companies whose success and even very existence remains to depend on competition and development of new markets. The Sonatrach company, with its experience, expertise, and resources will play an honorable role in giving the economy a new boost and will help the country to overcome the difficult stage which optimistically is being called "transitional". Once work succeeds, hope remains alive.

Iranian Islamic Guidance Minister Visits Sudan

EA2105185591 Khartoum SUNA in English 0927 GMT 20 May 91

[Text] Khartoum, 20 May (SUNA)—The Iranian delegation currently visiting Sudan headed by Minister of Culture and Islamic Guidance Mohammad Khatami has paid a visit to the Islamic Dawa organisation headquarters here. The organisation's executive director, Dr. Alam 'Uthman acquainted the delegation with the organization's foundation development objectives and future plans.

The Iranian minister stressed the significant role played by Dawa organisation. Islam, he said, is becoming a considerable force that intimidates its enemies, specially following a failure of secular (?heroes). He pointed out that Islam (?is) facing a fierce war that necessitates putting together efforts of all Muslims.

PALESTINIAN AFFAIRS

Islamic Jihad Leader Interviewed

91AE0412A Amman AL-RIBAT in Arabic 14 May 91 p 5

[Interview with Islamic Jihad leader Dr. Fathi al-Shaqaqi, by 'Azzam al-Tamimi: "PLO Must Withdraw Recognition of Jewish Entity"; first two paragraphs are AL-RIBAT introduction; place and date not given]

[Text] During the Arab and Islamic People's Conference, held last April, I met with Dr. Fathi al-Shaqaqi, representative of the Islamic Jihad Movement in Palestine. I had not met him before, and I was struck by his energy as he met with members of delegations participating in the conference and as a group of young men gathered around him. None of them, upon meeting him, took any offense at his directly admitting that he was from 'Jihad.' I stopped him, identified myself, and asked if he would object to being interviewed for publication in AL-RIBAT. He welcomed the opportunity, and expressed his willingness to be interviewed.

One day before that, I had met with Yasir 'Arafat, who mentioned Jihad during his interview. He made it clear that, in its recent session, the Central Council had resolved to call for a preparatory committee for the election of a new Palestine National Council [PNC], and that Hamas and Jihad would be invited (or had been invited) to participate. At this point, the interview with Dr. al-Shaqaqi began.

[Al-Tamimi] What is the Islamic Jihad's position with regard to participating in the PNC? What are the conditions, and what is the percentage of representation you expect or make conditional?

[Al-Shaqaqi] As for us, the problem is not the form or percentage of representation; rather, the problem is the political line, the political program proposed. When the PLO was founded, it was under general Arab sponsorship. It then changed to the Fedayin organization in 1968. This change was significant in the course of events for the Palestinian people because, to a considerable extent, it took the issue out of the Arab regimes' hands. However, the elite that led the PLO was an emigre elite, or an expatriate elite, somewhat isolated from the masses. They laid their tactics on international tables, and took us to a series of criminal concessions. Despite that, this does not alter the fact that the PLO was a special development in the progress of the Palestinian people. We do not think it would be useful or beneficial today to look for an alternative framework. However, it is our right, starting from our concept of our doctrine and our Islam, that we search for an alternative substance, an alternative program. We are prepared to cooperate with our brothers in the PLO, on any level, without considering the size of representation in any one of the PLO's institutions, under the following conditions: First, reject recognition of the Zionist entity's legitimacy over any part of our nation; second, rely on an armed jihad as a solution for opposing the Zionist entity; and third, no retreat from the Palestinian National Charter.

This represents our minimum aspirations as Islamists, because our basic strategic view is a continuation of the jihad under the banner of Islam. What concerns us now is political dialogue first, and not the form of participation.

[Al-Tamimi] PLO sources say that the Islamic Jihad will be invited to a meeting of the preparatory committee. Will they invite Jihad?

[Al-Shaqaqi] They are aware that there is only one Jihad in Palestine. If they want to continue in the Palestinian game, they are free.

[Al-Tamimi] What is your relationship, then, with other jihad groups, such as Shaykh As'ad Bayud al-Tamimi's group, as well as the group led by Shaykh Ibrahim Sarbal, both of which are now in Jordan?

[Al-Shaqaqi] These groups are unorganized, and have no presence in Palestine. There is only one group in Palestine.

[Al-Tamimi] With regard to what you said above, they tell me that your theses are no different from those of the other Islamic organizations in Palestine, especially the Islamic Resistance Movement, Hamas. What are your special characteristics?

[Al-Shaqaqi] The Islamic Jihad Movement in Palestine is a fighting Palestinian Islamic movement, which crystallized in the early eighties, after an ideological debate which lasted the second half of the seventies. This debate began with a concept of the program. That is to say, as young, educated Palestinian men—we were studying in Cairo at that time—we wanted to achieve an Islamic program, clear in the concept of Islam, the world, and reality. We were greatly preoccupied with that, intellectually, amidst the absence of clear, defined concepts inside the Islamic movement. The nucleus of the debate was the Palestinian issue; we discovered what we later expressed as our strategic slogan: "The Palestinian issue is the central issue of the Islamic movement, and for the Islamic community as a whole."

At that time, we noted ambiguities, which can be summarized as follows:

"Nationalists without Islam," and "Islamists without Palestine," i.e., there were those who said liberate Palestine, and who turned their backs on Islam, which represents the doctrine and legacy of the *ummah*, and there were those committed to Islam, who called for it, but who asked for the Palestinian matter to be put off.

This is the existing disagreement between us and our other Islamic brothers, i.e., a dispute about the program and about Palestine.

With the onset of the intifadah, most of the Islamists turned to the scene of the confrontation with the Zionist enemy and, therefore, the gap between the political spokesmen for both Hamas and Jihad lessened, and our aspirations coincided, because it was necessary.

[Al-Tamimi] Are there efforts in this regard? Do you have any specific ideas?

[Al-Shaqaqi] For the sake of unity, we submit—without any limits or conditions—to our Islamic brethren, particularly the Hamas Movement, that we have no conditions for undertaking any unified political program that you devise, so long as the jihad in Palestine remains steadfast.

[Al-Tamimi] Did the young men who founded the Islamic Jihad Movement in the eighties have any previous connections or ties with the Islamic movement, or with any other organizations?

[Al-Shaqaqi] The young men who founded Jihad came from Islamic movements, and from certain nationalist orientations, while others were independents. There was no breakaway formation or schism from any Islamic or nationalist organization.

[Al-Tamimi] What about Jihad [military] detachments? Are they connected with you?

[Al-Shaqaqi] Jihad detachments [*saraya al-Jihad*] is a name, and not a specific organization. This name was chosen in 1985-86, in order that our jihad operations could be announced under that name. These operations were conducted in coordination with certain Islamists within Fatah, particularly the two martyrs, Hamdi and Abu-Hasan, who were killed in Cyprus in 1988.

ALGERIA

Industry Minister Boussena on OPEC, SONATRACH

91AA0434A Algiers ALGERIE-ACTUALITE in French
23 May 91 pp 22-23

[Interview with Industry Minister Sadek Boussena by M.A. and M.L.; place and date not given: "Hydrocarbons in the 1990's; first paragraph is ALGERIE-ACTUALITE introduction]

[Text] The predictions were wrong: What comes after oil...is more oil. The continuing importance of oil in the international arena was clearly underscored by the Gulf war. On the domestic scene, too, a series of important accords have put this strategic sector back in the limelight. Sadek Boussena, current president of OPEC and Algeria's minister of industry and mining, talks about prospects for the sector....

[ALGERIE-ACTUALITE] A month after the Gulf war, is it safe to say OPEC has weathered the worst of this ordeal?

[Boussena] Since 2 August, OPEC has suffered the most grueling ordeal in its history. The organization weathered it relatively well, in the sense that it was able to maintain its identity as an association of producers based on their common interest in defending oil prices. When the crisis was at its height, we worked to try to ensure that the turbulence of the conflict would not spill over into OPEC.

Once the crisis was over, we came to an agreement and re-established a production ceiling, restoring the July 1990 agreement, which will continue to serve as the price and production benchmark for the near future.

Of course, we have not yet succeeded in making the organization an effective tool to defend our interests. We believe that much remains to be done, that only through dialogue will we be able to recapture that unity of action we need so badly.

For our part, we will do everything possible to ensure that OPEC becomes once again an effective instrument for the producing countries and a credible organization that, while continuing to dialogue with the consumer countries, will fully meet its responsibility to supply the needs of the international market.

[ALGERIE-ACTUALITE] In the last two months, prices have stayed below the minimum reference price of \$21 [per barrel]. Does this mean there is a lack of consensus now on price?

[Boussena] In principle, there is consensus, but in practice it seems there are two schools of thought about the per-barrel reference price. Some members, including Algeria, consider the \$21 price to be a minimum, which the organization ought to defend with the means at its disposal, i.e., regulating production and establishing a ceiling in order to guarantee the \$21 price for the reference "basket." However, other OPEC partners consider the \$21 simply a reference price—in other words, merely an objective of the organization—maintaining it can only be achieved by means of market forces. Moreover, there is no deadline for reaching this level.

As we see it, on the other hand, things are clear: The July 1990 resolution and all the resolutions that followed—including those of August and December—established \$21 as a minimum that should be defended. All it would take would be to reach agreement on an adequate production ceiling and allocate the quotas equitably among OPEC's member countries. If the last meeting at Geneva had decreed a lower production ceiling, the \$21 price would have been reached very quickly in the second quarter. It is a pity this decision was not made, since we note that the average real price in the last three months has varied between \$17 to \$18. That represents a loss of \$3 to \$4 per barrel, which means member countries have lost \$6 to \$7 billion.

It is all the more regrettable in light of the fact that the \$21 price was accepted worldwide—by all the players on the oil market, including the representatives of the consumer countries.

[ALGERIE-ACTUALITE] During preparations for a dialogue between producers and consumers, the \$25-per-barrel figure was at one point advanced. Is that out of the question now?

[Boussena] It takes two to dialogue. At present, all the producer countries (OPEC and non-OPEC) have

expressed their political willingness to enter into such a dialogue. Unfortunately, there is no such unanimity among the consumer countries. Several big consumer countries, including the United States, Great Britain and Germany, justify their reluctance by arguing that the market must be given free play.

However, it is very important here to understand the purpose of such a dialogue. No one on either side wants to use it to negotiate prices. On the other hand, one might be able to discuss future prospects for the international oil market. There are many subjects on which an exchange of views would be useful: production equipment, partnerships, technology, the environment....

Such a dialogue would at the very least improve relations between producers and consumers, the object being to avoid uncertainties and excessive instability in prices.

There was in fact talk of a \$25 per barrel price at one point during the Gulf crisis, when prices were already over \$30. At that time, the \$25 price seemed sustainable by both sides: It was sufficient to encourage producers to invest, but not so high as to penalize consumers. We personally continue to think it is an acceptable equilibrium price, though it cannot be realized over the short term.

What must be borne in mind here is that with the outbreak of the Gulf war, a whole series of steps were taken to precipitate a sudden decline in prices on the oil market to levels below those prevailing in July 1990. At these prices, consumers have been tempted just to pay today's lower prices and let tomorrow worry about itself. It is just short-term expediency and will not promote a stable market over the medium term.

[ALGERIE-ACTUALITE] There are so many factors to take into account in the energy domain that one speaks of "policy." How is energy policy influenced by the reforms?

[Boussena] The steps being taken in the energy sector should make it possible for enterprises to profit from the results of the reforms. At the moment, things are moving in the right direction. We note that enterprises are putting their relationships on a contractual basis, and they can work together on the basis of their own interests. Similarly, collective agreements will be adopted in the near future to regulate labor relations between worker collectives and enterprise management, with the object of arriving at more flexible relations, which are needed to make workers better motivated and improve enterprise efficiency.

Finally, one must understand that the reforms have great potential in terms of partnerships with foreign firms. The energy sector is already very open to the outside, in terms of "input" as well as "output." Over time, the reforms having to do with external trade will have a positive effect on the development of the energy sector.

[ALGERIE-ACTUALITE] What do the 1990's hold in store for SONATRACH [National Company for the Transport and Marketing of Hydrocarbons]?

Over the last few years it has become apparent that the organizational framework of SONATRACH, as a unique state-owned enterprise involved in a very broad range of activities, is no longer adequate. SONATRACH needs greater decentralization and a redefinition of its different functions.

Since 1988, SONATRACH has thought long and hard about how to adapt itself to the new regulatory environment. It has also made comparative studies of other oil companies of similar size. The conclusion reached is that SONATRACH must be turned into an industrial group, a kind of holding company. Strategic decisions on cooperative relationships with foreign companies, general agreements on common labor standards, and the creation of subsidiaries to be wholly owned by SONATRACH would be made by the group, but each company would have complete managerial autonomy.

The subsidiaries would have names like SONATRACH-Production, SONATRACH-LNG [liquified natural gas], SONATRACH-Exportation with a foreign network, etc. The enterprise has proposed this approach, under which it would be organized like all major oil companies such as Shell, Exxon or ENI. In other words, with a managerial staff that would concern itself with strategy and with autonomous subsidiaries under the oversight of a board of directors. The juridical nature of the group remains to be determined: perhaps an EPE or EPIC [expansions not given]?

Article 2 of the 1998 law on enterprises provides for flexibility in the organizational structure of strategic companies. But one of the ideas for SONATRACH's future reorganization is to go toward creation of wholly owned subsidiaries. That would mean internally, too. Provisioning, restoration, maintenance, informatics, research centers, training centers: Units responsible for these activities could be turned into subsidiaries. There may be subsidiaries owned by more than one enterprise. And why not make subsidiaries of some companies outside SONATRACH, which are involved in oil or natural gas? That might be the best way to have autonomous decision centers that would negotiate the terms of their own relationships contractually instead of on the basis of understandings, as they do now. With actual contracts, enterprises could get better control over costs, performance of each partner, responsibilities, shortcomings. It would be quite different from the impenetrable structure we have today, where everything is mixed up with everything else. I realize that SONATRACH has already been making an effort to decentralize in this way. In the future, these new structures will be more readily operational.

[ALGERIE-ACTUALITE] For the moment, there are specific limitations, such as the 1986 law regulating participation of foreign partners....

[Boussena] The 1986 law was already an important step that opened up new possibilities for SONATRACH in its discussions with foreign companies. SONATRACH has in fact held talks with nearly 80 companies in recent years. Some of these talks have already led to agreements, others are still in progress. However, some of the complaints that are voiced by partners about exploration contracts cannot be addressed under the 1986 law. For example, there is the issue of cooperative ventures in the event natural gas is discovered. Such ventures are prohibited by the law, whereas it would be very much in our interest to have a foreign partner involved in marketing the natural gas, given the difficulty of finding market outlets for it.

The second problem with the 1986 law is the prohibition on partnerships to exploit deposits already discovered. So long as the fields are in good shape, SONATRACH has no reason to seek foreign partners. But some deposits are exhausted, even though at greater depths there are trapped hydrocarbons, which generally constitute about 60 percent of reserves. Exploiting them requires enormous financial resources, which SONATRACH cannot muster by itself, as well as very complex technologies found only in the hands of a small number of companies that refuse to make them available under traditional "technical assistance" contracts. We are studying the question how to exploit these kinds of deposits. For all these reasons, it would be better to make the law more flexible.

It is a subject that merits debate. A new Popular Assembly will soon convene, and the next government will certainly propose amendments on this sensitive issue, because at all events the international environment imposes constraints.

[ALGERIE-ACTUALITE] The recent SONATRACH-Total contract has some innovative features. What kind of constraints is it designed to overcome?

[Boussena] You mean the contract for financing the condensate and LPG [liquified petroleum gas]. SONATRACH launched a major program to expand condensate and LPG production facilities in Sud and Hassi Messaoud. Its estimated cost is close to \$5 billion, and it will take seven to eight years to complete. SONATRACH's analysis of the project indicated a partnership arrangement would be desirable. First of all, because of the financing problem. To avoid increasing the country's debt burden, SONATRACH resorted to the so-called advance sales mechanism. The partner thus finances the plant's construction and is reimbursed only when it goes into production. The other advantage of this mechanism is that it provides a guaranteed market for the product, which is badly needed.

Next, in addition to financial resources, the scope of the project entails substantial technical and managerial expertise. What is new in this kind of contract is that the foreign partner's rate of remuneration will depend on the plant's performance. The partner is thus involved in

follow-up and operation of the plant, and at the same time he must provide training for the Algerian cadres needed in the project.

This kind of formula may be used in the future with other foreign partners. SONATRACH is also considering other kinds of contractual arrangements. The objective in each case is to avoid increasing the debt burden and to guarantee market placement.

[ALGERIE-ACTUALITE] Natural gas is doing well these days, both in pipeline and liquified form. In the late 1970's, there was a lot of pessimism about the future....

[Boussena] Predictions about the energy market are very often off base. In the case of natural gas, there seems to be about a 10-year lag. What was predicted for the 1980's didn't happen, or it didn't happen until 10 years later. Today, it is true, natural gas is making a comeback. Algeria is in a good position. It has one-fifth of the world's reserves. In terms of exports, Algeria is the fourth-largest supplier of natural gas on the international market. But it has the potential, by virtue of the contracts recently signed, to be the second largest supplier by 1994. Algeria has used its experience in LNG and gas pipelines to good advantage.

Nearly 11 countries are either now importing Algerian natural gas or will be doing so in another two years. This allows us to diversify and gives us flexibility that is very advantageous for us as a supplier country.

Algeria has 20 years of experience with natural gas contracts. Our experience has taught us it is important to take into account not only the seller's interests but also the concerns of the buyer, for without him there is no transaction. Negotiations should be approached with the idea of forging durable arrangements, because enormous investments have to be made. Prices are renegotiated every four years to take into account the international energy environment. It should be noted, however, that SONATRACH only negotiates prices relative to the market, not absolute prices.

[ALGERIE-ACTUALITE] What kinds of investments should SONATRACH make to take advantage of the new export prospects?

[Boussena] There are two stages in SONATRACH's development plans. The first is full utilization of existing capacity. In the LNG domain, that means rehabilitation of existing units in order to increase output from 20 billion cubic meters up to 30 billion cubic meters over the next three years. The additional billion cubic meters has already been placed with new clients. In addition, we must increase the capacity of our gas pipeline to Italy. With very little investment from the Algerian side, we could double our exports to that country. The latest contract with Snameni involved an investment on the order of \$7 billion for the Italians, but only \$200-300 million for the Algerian side.

To get an idea of our potential, we have a capacity of 104 billion cubic meters at Hassi R'mel, but in 1989 we exported only 33 billion cubic meters of natural gas. Some of our natural gas production goes for domestic consumption, and the rest is reinjected to permit extraction of more condensate.

The third major export project is the western gas pipeline. Algeria has plans to link Hassi R'mel to the Moroccan border, but the project will cost little in the way of hard currency because we will build it with our own resources.

However, the second stage in SONATRACH's development will involve new investments, especially for increasing production of certain products such as condensates. This will require equipment such as separation units, piping systems, etc.

We are also going to have to develop the natural gas deposits in Sud and transport all that gas to Hassi R'mel, which will more or less play the role of a collection and distribution center. We are thinking, for example, of the natural gas from Ain Salah, which so far is producing at nowhere near capacity.

With regard to the question whether to export natural gas as LNG or by gas pipeline, SONATRACH favors the pipeline approach wherever feasible, because it is clearly more profitable for Algeria. Managing an LNG plant is more complex than managing a pipeline, and the sales price is certainly higher. Nevertheless, developing both capabilities gives SONATRACH more maneuvering room. For example, the LNG approach gives access to certain distant markets such as the United States and Japan.

Report Lists Renewed Islamic Council's Duties

91AA0418A Rabat AL-'ALAM in Arabic 20 May 91 p 2

[Article: "Algerian Cabinet Reports Establishment of Supreme Islamic Council"]

[Text] Algiers has reported the establishment of the Supreme Islamic Council, as stipulated by the Algerian Constitution ratified in February 1989. A draft law establishing the council was studied last Wednesday, 15 May 1991, in a cabinet meeting chaired by President Chadli Bendjedid.

The Supreme Islamic Council will be tasked with overseeing the publication of Islamic teachings, relying upon the Koran and the *Sunnah*, [the sayings and doings] of the Prophet, and calling for the avoidance of distorted or noncanonical interpretations of shari'ah texts. It will also be tasked with calling for God's way, through wisdom, and spiritual counsel and debate.

Moreover, the Supreme Islamic Council will scrutinize Islamic doctrine for anything false and distorted, combat those distortions, and issue shari'ah fatwahas [formal

legal opinions] to public and private, official and unofficial bodies, groups, and individuals, through liaison with qualified organizations and bodies concerned.

The report issued by the cabinet stated that this council would also look after raising Islamic consciousness, kindling citizens' sensitivity to problems of cultural challenge, and keeping Islamic credibility from falling into a labyrinth of formalism and ritualism. This may be done by calling for and urging that attention be paid to the merits of science and labor, eliminating backwardness, adhering to progress, and highlighting the merits of Islam with regard to its substance which, as God wills, is the light of mankind, a model for civilization, and a comfort for every believer.

It is worth noting that the study of this text came several weeks after ratification and application of new legislative texts, delineating the role entrusted to mosques. It also occurred on the day following ratification of the new election law, which prevents the use of mosques for political purposes.

EGYPT

Commentary Says Mideast Peace a U.S. Demand

NC2605143391 *Cairo Arab Republic of Egypt Radio Network in Arabic 26 May 91*

[Bahiy-al-Din Shu'ayb commentary: "Baker's Fourth Tour and the Fate of Peace"]

[Text] No one can claim that James Baker failed in the mission for which he made four Middle East shuttles. First, none of us must imagine that the United States is unable to give momentum to the peace process in spite of Shamir's objections, because no one will believe it, regardless of any justifications that might be given.

The United States is the only superpower now. If it puts its mind to something, it has to be done in order to maintain credibility. We also do not believe that Baker's shuttles are mere maneuvers intended to absorb the high emotions of the Arabs following the Gulf crisis and the battle for the liberation of Kuwait. The United States is currently trying to work out a new formula for a new world order. If it fails in its first real test over the Middle East peace issue, after having thrown all of its weight in the arena amid an atmosphere of well-measured propaganda, Washington will lose its international political influence. Should the peace mission in the Middle East fail, the American character could become one that relies on a military force bordering on aggression and not a political force capable of holding the reins of international legitimacy. In addition, Washington would also like to brag to the Arabs that it extracted peace from the claws of Israeli intransigence, thus increasing its acceptability in the Arab region.

Negotiations with Israel have dragged on for so long because Washington is talking to the most obstinate

negotiators in old and modern times. Shamir will not give up unless he has to and unless there is no more room left to maneuver. Thus, the U.S.-Israeli dialogue has turned into a violent fencing contest between two parties, each seeking victory without receiving a single scratch. At one time, Shamir placed all his intransigent stands in one basket before the U.S. secretary of state and hinted at his readiness to give up his nonconventional weapons in exchange for keeping the West Bank. After that, Shamir hinted that the status between Syria and Lebanon presents a serious security predicament for Israel. This means that Shamir thinks his country could not stand idly by while its security is at risk. And this simply means that Shamir was diverting Baker's attention from peace talks to thoughts of a possible new war that could detonate the entire region. Such a war, as an Israeli general put it, would put things in order for good in the region.

According to THE NEW YORK TIMES, the U.S. secretary of state had no choice but to tell Israel that Bush might give the go ahead for the implementation of a joint U.S.-Soviet plan for convening a peace conference with or without Israel's participation. The paper gave the details, timing, and parties to this plan as well as its plan of action. In continuation of the U.S.-Israeli fencing game, Baker told a congressional committee that the policy of building settlements in the occupied Arab territories is the greatest obstacle to peace. Israel's supporters in the United States tried to downplay Baker's views, but President Bush quickly backed his secretary of state, emphasized that he is behind him 100 percent, and repeated his denunciation of the settlement policy.

We must take into consideration that President Bush's public reiteration that the United States denounces the policy of settlement building means that the U.S. Administration is seriously thinking of stopping the financial aid used entirely for settling the Soviet Jews. What gives this tacit threat double power is that Israel managed to bring more than 18,000 Ethiopian Jews into Israel during the past two days, something that increases its need for U.S. economic assistance. Naturally, Israel will think dozens of times before getting involved in a political conflict with the U.S. administration over the issue of peace.

The U.S.-Israeli dialogue might take longer than the normal international practice, but President Bush is eager to score a political victory in the Middle East; otherwise, he will have to remain silent over the politically explosive problems of socialism in the Soviet Union, Africa, and Asia. This makes peace in the Middle East a U.S. demand, even before it is an Arab or even Israeli demand.

Press Questions U.S. Role in 'Operation Solomon'

NC3005100491 *Cairo MENA in Arabic 30 May 91*

[Excerpt] [passage omitted] Under the headline "Strange Statements Muddle The Situation," the newspaper AL-AKHBAR says, "We believe that President Bush is well

aware that the airlift of Ethiopian Jews to Israel has further complicated the efforts of the United States and other states to settle the Arab-Israeli conflict.

The paper goes on to say, "It is strange that the U.S. President and Secretary of State James Baker every now and then issue statements opposing the establishment of Jewish settlements in the occupied territories and stressing that these settlements do not serve the peace efforts being made by Washington and other states. At the same time, however, Bush congratulates Israel for bringing thousands of Jews to its territory."

AL-AKHBAR adds, "We believe Bush is well aware that this operation has further complicated the situation, because the Tel Aviv leaders are expected to use the new Ethiopian immigrants as another excuse to build settlements and seize more Arab land."

The paper concludes, "There were already many questions about the U.S. role in Mideast peace talks, and Bush's recent stand has undoubtedly raised some more."

Under the headline "An Explanation is Needed," the newspaper AL-AHRAM says, "U.S. President Bush has said that the airlift of Falasha Jews from Ethiopia to Israel, completed in 22 hours, was a wonderful thing which deeply moved him. He has also expressed his happiness and pride over his role in facilitating 'Operation Solomon.' Bush played a similar role in the mid-1980's when, as vice president, he arranged the transportation of 12,000 Ethiopian Jews to Israel through Sudan."

The paper adds, "The U.S. President has every right to express his personal views. Every Arab, however, has the right to ask where these Jewish immigrants will be housed and whether they will be settled in the occupied territories, given that Israel is determined to build settlements in these areas."

AL-AHRAM asks why no warning has been issued to Israel against settling these immigrants in the occupied territories, especially as it continues to challenge the official U.S. position on this issue.

Government Criticized for Selling Public Sector Firms

91AA0421A Cairo AL-YASAR in Arabic May 91, pp 38, 39

[Article: "Government Continues to Sell Public Sector In Spite of Constitution"]

[Text] The public sector has endured a series of persistent assaults over several long years during which government information media resorted to lies and false claims in order to mask the real problems of that sector.

The Egyptian left, since the inception of policies of open capitalism, has issued warnings against what has now become public knowledge.

The government currently endeavors to accomplish what it could not in four previous attempts—complete hands off, leaving economic management to capitalist anarchy—by divesting of the ownership and management of the public sector and handing it over to capitalists as "turn-keys" in response to their demands and the demands of the International Monetary Fund [IMF].

This is the second major challenge to Egyptian workers as evidenced by government statements and its draft law intended to transform public sector enterprises into holding companies whose boards of directors are vested with all the entitlements of ownership and management. The government, having a majority in the People's Assembly, succeeded last February in enacting a law which stipulates that top leaders of public and government sectors shall be chosen from outsiders who are not experienced workers of the said two sectors.

Right on the mark!

The government is selling successful enterprises only, not firms in trouble, according to a statement by Dr. 'Atif 'Ubayd before 50 or more labor union leaders. He said: "I'll sell the shares at the highest price. Faltering companies must be healed and we are creating holding companies for this purpose. The first step is to look after those [enterprises] in trouble. When they have prospered and increased in value, then I'll think about bringing in partners. I have public sector assets that were bought when they were cheap—those I'll renovate and improve. If we are to bring in partners, they should come in at the high end. Nobody will invest money in something without value."

But the question remains unanswered. If the public sector is successful, why do we open it to private-interest partners? If the state is able (and also so believes) to withhold sales or close the door to private capital participation until it has taken the initial step of reforming money-losing firms, why can't it maintain ownership and management after those enterprises have gotten over their problems?

Incidentally, a Ministry of Industry report on public industrial sector performance for 1989/1990 indicates that while 103 firms were profitable, the number of faltering firms shrank to 10 from 17 in the previous year. The industrial sector realized profits of 1.033 billion pounds and reduced its losses by 42 million pounds. It contributed 3.358 billion pounds to the state treasury, an increase of 121 percent from 2.776 billion pounds a year earlier.

Talk Is Cheap

A mere two days after the meeting [with 'Ubayd], government newspapers reported a decision by the Enterprise Divestiture Committee—headed by Deputy Premier and Minister of Agriculture Yusif Wali—to sell 20 industrial firms, the power distribution company, four agricultural entities and their affiliates, and 40 hotels including the Meridien and Shepherd's—all of

them profitable enterprises. That was the decision of the committee whose members include Minister of Electricity Mahir Abaza, Minister of Tourism Fu'ad Sultan in addition to four members of the Businessmen's Association—Husayn Sabbur, Muhammad Farid Khumays, 'Umar Muhanna, and Tahir Hilmi.

Those press reports blow to pieces the claims minister 'Ubayd made to labor leaders that there was "no intention or thought; it never occurred to anyone to undermine rights, reduce capacity, or target layoffs or any type of liquidation.. We will take no step without discussions and consultations with you."

That was on the evening of Wednesday, 3 April. Meanwhile, discussions and consultations among three pillars of the government and four businessmen resulted in the sale of 60 public enterprises!

Fund Objectives

The government, gradually and in stages, is meeting the objectives and demands of the International Monetary Fund (IMF).

The government set about implementing the first stage without waiting for legislation or constitutional amendment. It entails:

1. Terminating the public sector's constitutional role as a spearhead to development by its fragmentation into holding companies which have no bonds to the state and whose boards of directors have a free hand in management and in deciding on operations, pricing products, investing returns, etc.
2. The transfer of ownership to holding companies controlled by nonpublic sector leaders (i.e., businessmen).
3. The sales of 49 percent of company shares to the private sector as a first step to be followed by unrestricted sales.
4. Economic criteria alone will determine product types and prices, employment and wages, etc.

This means that neither company nor state would have any obligation to workers. This is the challenge which a communique of the Bureau of Workers calls upon the labor union movement to confront by all possible means.

The leadership of the Federation of Trade Unions announced support for the government course with minor exceptions to the latter's draft law. The Federation advocates union representation on holding company boards and at their shareholder meetings; that boards should not assume mutually exclusive functions such as by combining management with oversight, guidance, and taking to account; and that the 10-percent employee share of profits stipulated in the draft law must be promptly distributed in all cases, even if it meant that the company could not meet its obligations.

The Federation overlooked that the government draft ignores that the currently legislated employee profit sharing amounts to 25 percent, of which 10 percent is payable in cash and 15 percent in the form of services such as housing, health care, recreation, etc. The government's draft [legislation] limits itself to the cash portion.

And yet, Dr. 'Atif 'Ubayd has insisted on the existing text, relying on board discretion and a sense of responsibility, especially on the fact that the government will be manning the boards with businessmen! Says minister 'Ubayd: "If it felt that delays would undermine morale, a company would promptly disburse profit sharing even if it had to borrow."

The government and some deluded unionists overlook the fact that they can make whatever decisions they wish, or the IMF wishes, and they can implement all or some of those decisions for years;

but sooner or later, they can only reap what they sowed—starving millions.

Loan Agreement Signed With African Development Bank

NC3005184891 Cairo MENA in English 30 May 91

[Text] Cairo, May 30 (MENA)—Egypt and the African Development Bank (ADB) today signed an agreement by virtue of which Egypt will get about 350 million dollars in loan. The loan will be devoted to financing part of the total cost of the 1200-megawatt Kuraymar power station. Minister of State for International Cooperation Dr. Maurice Makramallah signed for Egypt while the vice president of the ADB signed for the other side.

Samir Karim, the ADB executive director, who attended the signing ceremony said that this loan is the largest given to a member state. Karim also said that other financing organisations will be contributing funds to this projects. The Arab Fund for Social and Economic Development has pitched in with 100 million dollars, the Islamic Bank for Development with 10 million dollars, and the International Bank for Reconstruction and Development (IBRD) with 100 million dollars, he added.

Government Given Suggestions for Effective Change

91AA0424A Cairo AL-WAFD in Arabic 17 May 91 p 3

[Article by Sana' Mustafa: "Would Reformation Correct Government Failures? 'Abd-al-Khaliq al-Shinnawi: 'Reformation Must Begin with the Constitution.' Dr. Samir Rashwan: 'The Selection Process of Executive Branch Leaders Must be Changed'"]

[Text] President Mubarak's recent address touched on an issue of great concern to public opinion. This is the issue of reformation as a necessity mandated by present conditions and as a popular demand that must be heeded. The president emphasized that the change to

come will be comprehensive and will go deeper than mere faces or individuals but the Egyptian man in the street has been wondering: Will this be the same old story of merely replacing a few ministers, merging a couple of ministries, or creating new portfolios? Or will policies and procedures undergo fundamental change?

Meanwhile, there are signs and indications that change has already taken place, manifested to a large degree in soaring prices that were raised before salaries were increased, causing great hardship to those on fixed incomes. What in reality is that reformation that the government and its ruling party intends to bring about? What sort of changes are envisioned and anticipated by your average Egyptians?

Reformation must begin with the constitution which should limit the president of the republic to two terms in office and should stipulate that he not be the head of any party. This would purge the electoral process of current practices and keep the government from resorting to repressive measures to help its ruling party [nominees] in parliamentary and other elections.

That kind of reformation is advocated by engineer 'Abd-al-Khaliq al-Shinnawi, deputy chairman of the Wafd party. He also advocates that the prime minister select his own cabinet without intervention from the president of the republic. Reformation should allow for taking ministers to account for their mistakes and for the removal of entire cabinets in favor of others more capable of managing and increasing production. This brings up the issue of how to boost production and raise the standard of living under [current] obstructive laws. For instance, many tax court cases filed by merchants and industrialists were prompted by the endless taxes imposed on them by government-promulgated laws!

Engineer al-Shinnawi asserts that Egypt will see no reformation until the constitution is amended to transform the current state of quasi-democracy into one of true democracy.

Eradicating Disparities

Dr. Samir Rashwan, chairman of the Department of Tissue Sciences at Qasr al-'Ayni school of medicine, has a different viewpoint. He believes that reformation should encompass morality and the concept of belonging. This can be accomplished by selecting judicious leaders capable of instilling patriotic work values in the people and by choosing youthful grass-roots populist executive leaders who would consummate the will of the people in all areas through representation in the People's Assembly, Consultative Council, and local councils. Reformation must be accompanied by substantive adherence to the policy of reward and punishment and by publicizing the results of investigations. Reformation should go beyond politics to all aspects of life. Curricula changes are needed at all levels, especially in education, religion, and improving young people's values through the example of proper leaders. Bad leadership will reflect negatively on the future of young

people who are the future of the country. Reformation should also remove the disparities of the open-door policy. It makes no sense that cultured and educated Egyptians command less than a house painter, for instance, or a car mechanic or a tile installer. Reformation, in the view of Dr. Samir Rashwan, can only be accomplished by a national plan to eradicate the illiteracy of the people and the illiteracy of the educated, because only then will individuals become cognizant of their rights and responsibilities.

From A to Z

Dr. Suhayr al-Qalmawi emphasizes that reformation must encompass the country's policies in their entirety, from A to Z, without placing obstacles in the way. Fundamental change must begin with the eradication of illiteracy which has climbed to 80 percent in Egypt according to a UNESCO report!

Egyptologist Dr. 'Ali Hasan, Director of Egyptian Antiquities, sees reformation in another light. He believes it can be accomplished only if the people themselves change. Egypt, whose ancient civilization goes back thousands of years, does not change. For instance, Egyptian pharaohs were exemplary in their democratic practices and competence in government. The construction of the Great Pyramid was typical of their strategic and management abilities and their conceptual and leadership acumen. They accomplished a world-class wonder that continues to be so, even now. Their economic competence enabled them to produce under enlightened management, enabling 150,000 workers to earn a living, get their fill of food, and easily satisfy their other needs. Reformation can only be brought about by those with experience.

Correcting Misconceptions

Dr. Sa'd Taha, dean of al-Azhar School of Medicine at Asyut, says that we must first correct misconceptions that pervaded society for a long time. We are a country of diplomas, as they say. Society reaps no benefit from university graduates because of terrible flaws in the present educational system.

He calls for a change in government work rules whose agencies are yet to practice reward and punishment and where the productive as well as the nonproductive draw the same wages on payday! Reformation must also sweep the manner in which the country's problems are handled. Experience shows that we in Egypt deal with problems only after they occur. Solutions are usually temporary and disappear with the problems they resolve.

Dr. Sa'd Taha points out that officials and the authorities ignore the important problems, such as housing, with which young people are preoccupied.

In politics, reformation must go beyond personalities. An individual must be selected who would reinforce the concept of democracy, evolving it from its current inappropriate form. We crave democracy today more than at

any other time. Economic reformation will not take place unless equilibrium is established between consumption and production and unless expenditures are rationalized. In the past, government changes did nothing more than add to economic stagnation, causing prices to soar beyond reason as salaries languished.

Dr. Sa'd Taha believes that reformation should be tangible to the down-trodden so that they can cease to pant after their daily bread which has become their preoccupation at the dawn of each day. Egypt's youths have come to fear for their future thanks to the economic crises that engulf the country because of the flaws and fumbles of previous and current governments, and the rest is yet to come!

Manpower Development

Tradespeople and technician have yet a different concept of reformation.

Muhammad 'Abd-al-Ghani Hijazi, a furniture maker, says that reformation must begin at the base. The present constitution is not fit to govern. I have been a contemporary of the prerevolution era which was different in all respects from the governments that ruled Egypt after the revolution.

He advocates that the constitution be amended with the help of prominent attorneys in order to guarantee human rights. It is the right of all citizens to form a political party or express an opinion without risking arrest and imprisonment. The republic's president and vice president should be elected, and so should the rector of Al-Azhar who is currently appointed by presidential decree.

Muhammad Hijazi adds that the only change we are aware of so far is the misfortune that befell the fatherland in the guise of a sales tax!

Jamal 'Abd-al-Muttalib, a taxi driver, cries with emotion: What sort of change is asked of us, the poor? How can the government ask us to rationalize consumption and spending when it is the prime example of waste and improvidence?

IRAQ

Jasim Stresses Determination 'To Overcome All Difficulties'

JN2905163891 Baghdad INA in Arabic 1555 GMT
29 May 91

[Text] Baghdad, 29 May (INA)—Latif Nusayyif Jasim, Arab Socialist Ba'th Party Regional Command member, has stressed the Iraqi people's determination to overcome all difficulties and to reconstruct what was destroyed by the American-Atlantic aggression.

During a meeting today with Mukhtar 'Ubayd and Mohamed Muslih, members of the national secretariat

of the Algerian Workers Union, he said that the continued imposition of the unjust economic embargo on Iraq is aimed at starving its people, who were exposed to the most hideous aggression that is unprecedented in both ancient and modern history. He also expressed appreciation for the Algerian people's support for the Iraqi people's confrontation of the aggression, and their positive contribution toward dealing with the effects of the embargo on Iraq's women, children, and the elderly.

The members of the general secretariat of the Algerian Workers Union praised the Iraqis' steadfastness and their rallying around their political leadership to confront the U.S. aggression against Iraq.

AL-QADISIYAH: Army Can Protect Border, Sovereignty

JN2805080291 Baghdad INA in Arabic 0618 GMT
28 May 91

[Text] Baghdad, 28 May (INA)—AL-QADISIYAH says that President Saddam Husayn's order to demobilize reserves from the Army after the cease-fire has more than one significance and meaning under these delicate circumstances. AL-QADISIYAH, organ of the Defense Ministry, says in today's editorial: The order is meant to bury rumors and allegations propagated by the Western media and believed by weak-spirited and tendentious people, that Iraq is not serious about implementing the cease-fire resolution and that it wants to maintain a large number in its Army.

AL-QADISIYAH adds: These rumors and allegations cannot affect independent Iraqi decisionmaking. The president's order to demobilize those born in the three years [1961, 1962, and 1963] in addition to those born in 14 other years who were demobilized previously, reaffirms Iraq's inclination toward peace and its desire to achieve it, despite America's aggressive approach toward Iraq. This approach is seen in its many provocations and the blatant interference in its internal affairs.

The paper notes that the other meaning in the president's order is that Iraq is safe and was able to defeat the most dangerous episodes of the plot against its sovereignty and national unity. The paper says that the president's order expresses, at the same time, strength and capability, because the Army possesses in its basic structure enough people and armament to safeguard Iraq's border and sovereignty.

The paper stresses that the people of Iraq confirm day after day that the treacherous aggression against it has neither weakened its determination nor made it give in to despair and just stand there looking at the remains of what the criminals and scoundrels destroyed. The aggression increased the Iraqis' determination to rise and rebuild their country.

Concluding, AL-QADISIYAH says: All the enemies, led by the American-Western-Zionist camp, should realize that despite the dirtiness and ugliness of the aggression

they waged against Iraq, they cannot encroach on its pride, its people's loftiness, or their love of a free and honorable life.

Awqaf Minister on Plans To Repair Karbala' Holy Shrines

*JN2605134591 Baghdad INA in Arabic 1214 GMT
26 May 91*

[Text] Karbala', 26 May (INA)—'Abdallah Fadil, minister of awqaf and religious affairs, has announced that 15 million dinars have been appropriated and 45 kg of pure gold and 160 kg of silver allocated to repair and maintain al-Husayniyah and al-'Abbasiyah shrines in the Governorate of Karbala'. The two shrines were damaged during the riots that were carried out by demagogues.

During his meeting with the ulema and the workers in the project, the minister urged them to make intensive efforts to develop the al-Husayniyah and al-'Abbasiyah shrines in line with the interest of the party and revolutionary leadership in the holy shrines.

100-Dinar Banknote To Be Issued Soon

*JN2905122791 Baghdad INA in Arabic 1035 GMT
29 May 91*

[Text] Baghdad, 29 May (INA)—The Iraqi Central Bank will soon issue a new, 100-dinar banknote.

In a statement today, the bank said the measure is in pursuance of Article 38 of the amended Iraqi Central Bank Law No. 64 of 1976 and is based on Republican Decree No. 244 of 1991.

Al-Ma'mun Telephone Switchboard Operational Again

*JN2905135291 Baghdad INA in Arabic 1140 GMT
29 May 91*

[Text] Baghdad, 29 May (INA)—The electronic al-Ma'mun switchboard has returned to provide telephone services to subscribers at full capacity, which is 23,000 lines.

In a statement to INA today, the director general of the State Enterprise for Communications and Post said the technical and engineering departments of the State Enterprise managed to rebuild or repair all the switchboard's facilities in record time, using their intrinsic capabilities.

The director general pointed out that the automatic al-Rashid switchboard, whose capacity totals 20,000 telephone lines, will resume service next week.

It is to be recalled that the State Enterprise for Communications and Post has reoperated most of the telephone switchboards in the city of Baghdad—the switchboards that broke down as a result of the damage caused by the

American aggression—as part of an extensive reconstruction campaign being witnessed in Iraq to rebuild its damaged institutions.

ISRAEL

Local Paper To Be Published in Soviet Union

*TA3005132991 Tel Aviv HA'ARETZ in Hebrew
30 May p A4*

[Excerpt] The Soviet Government has permitted an Israeli newspaper to publish and distribute newspapers throughout the Soviet Union for the first time. A license for distribution and unlimited printing rights was given to NOVOSTI, a Russian-language newspaper published in Israel. The communications minister for the government of the Russian Federation signed the special license. [passage omitted]

KUWAIT

Envoy in Cairo Cited on Egyptian Ties

*PM2205130791 London SAWT AL-KUWAYT
AL-DUWALI in Arabic 20 May 91 p 2*

[Nabil Suwaydan report: "Kuwaiti Ambassador Tells SAWT AL-KUWAYT: 'Our Relations With Egypt Too Strong for Anyone To Disrupt'"]

[Excerpts] Prior to his departure yesterday, Sunday, for Kuwait on a several-day mission to confer with officials there, SAWT AL-KUWAYT conducted this interview with Kuwaiti Ambassador in Cairo 'Abd-al-Razzaq al-Kandari, in which he dealt with numerous issues concerning bilateral relations between the two countries at the present stage.

In the interview al-Kandari said that the embassy is issuing some 200-300 visas a day to Egyptians returning to resume their previous jobs in Kuwait or to those who have been contracted to do new jobs in the public and private sectors.

He revealed that preparations are underway to return some 5,000 to 6,000 Egyptian teachers to Kuwait for the new academic year.

He emphasized that cooperation between Egypt and Kuwait is witnessing a phase of growth and development in various fields despite the scale of destruction inflicted on Kuwait, which is hampering efforts to quickly attain the status to which all countries aspire. The ambassador warned about those who want to cloud the skies of these relations by means of the rumors they circulate. [passage omitted]

He added: On this occasion I say that we should let tangible actions speak for themselves and ignore those rumors. There are, and we must not forget this, those who want to cloud the skies of the cordial relations between the two countries. But our relations are stronger

than that. And it is not in our interests for us Kuwaitis and Egyptians to allow these allegations and rumors to affect our staunch relations and the cohesion between us. [passage omitted]

MOROCCO

King Calls for Conference to Share Water Expertise

91WN0549Z London AL-SHARQ AL-AWSAT in Arabic 15 May 91 pp 1, 4

[Text] Rabat—The Moroccan monarch, King Hasan II, called for the convocation of an international conference, with the participation of all countries of the South and the advanced North, to study medium- and long-range water problems and to formulate a technical and financial aid program for developing countries threatened by a water shortage.

The Moroccan monarch, in his speech to participants in the Seventh International Conference on Water Resources held in Rabat, also called for the establishment of a special international fund to finance programs to protect world water reserves from pollution, help developing countries to mobilize their water, and to transfer information and techniques needed to develop the Third World Countries' self-reliance in building firm foundations in this area. King Hasan II, who was followed by his representative at the conference, Dr. Azzedine Laraki, the Moroccan prime minister, recommended the designation of a portion of the debts owed by developing countries to finance this fund.

He also called on the countries of the world to realize, now more than ever, that water is everyone's property, and that everyone must help each other and exchange expertise and technologies that ensure the regulation of natural systems and the complicated problems stemming from them.

The Moroccan monarch stated that if God has destined Morocco to be situated geographically in a semiarid zone, he has prepared Morocco for this by sowing the seeds of national solidarity. He stated that the government's order to establish formulas to ensure the transport of water from rain-rich areas to rain-poor areas takes into account current needs and the needs of future generations.

He declared his country's full willingness to share its experience with neighboring countries in the scope of international solidarity.

The Moroccan monarch reviewed the directions and philosophy pursued by Morocco based on its awareness of the effective role of water in generating economic and social development, from the construction of dozens of dams of different sizes and thousands of wells to irrigate

millions of hectares and provide drinking water to residents, to the formulation of an ambitious program to research artificial rains with a view toward strengthening Morocco's water reserve.

Morocco, Libya Sign Joint Venture Agreement

91AA0349A London AL-SHARQ AL-AWSAT in Arabic 20 May 91 pp 1, 3

[Text] Rabat—A Moroccan-Libyan agreement for the development of trade and economic cooperation between the two countries was signed here.

Sources at the Moroccan Ministry of Finance told AL-SHARQ AL-AWSAT that the agreement would give a strong impetus for cooperation between the two countries, especially in joint investment projects and trade development. The sources said that an increase in trade of \$100 million worth of products from each country has been agreed upon.

The Moroccan government is seeking to increase its exports to Libya. Moroccan exporters will be able to benefit from the agreement and would export up to \$100 million worth of additional products to Libyan markets.

It is permissible under the agreement to change certain materials or commodities agreed upon and replace them with other materials and commodities not listed in the agreement. The two sides have pledged to grant tariff exemptions for goods according to the trade and customs agreement concluded between the two countries in June of last year.

It is noteworthy that it has been agreed to hold a meeting between the two sides next October in order to evaluate and follow up achievements under the agreement and to take appropriate measures to complete its implementation.

With regard to joint investments, and within the framework of preparing a special program for joint production projects between Morocco and Libya in the fields of industry, agriculture, and others, it has been agreed to increase the capital of the Libyan Arab-Moroccan holding company. The company will draw up an investment plan aimed at achieving economic integration between the two countries.

IDB Grants Loan to Resources Company

LD3105083291 Rabat MAP in English 1305 GMT 30 May 91

[Text] Cairo, May 30 (MAP)—On Wednesday, the Islamic Development Bank [IDB] granted Morocco a \$2.53 million loan to finance the purchase of a fishing boat by the Moroccan Company for Atlantic Resources Exploitation [SAETMA].

The loan is part of a credit line opened by the IDB for the National Bank for Economic Development [BNDE] in

1982. The credit line, worth ten million Islamic dinars [ID 1 = \$1.4], funds small- and medium-sized projects in Morocco.

The accord was signed by IDB Vice-President Ousmane Seck, the BNDE general director, and by Said Bekkari [names as received] on behalf of SAETMA.

Agadir Airport Completion Expected in Summer

*91AA0425C Casablanca LA VIE ECONOMIQUE
in French 3 May 91 p 10*

[Article by M.B.: "Agadir's New Airport Should in Principle Be Completed This Summer; It Will Be the Biggest and Most Up-to-Date Airport in the Kingdom, for a Total Investment of 1.27 Billion Dirhams"]

[Text] Agadir's new airport is being built in part of Admine Forest, south of the town. It will be linked with the latter by a 7-km freeway.

The portion of this access road running from the airport to the highway network will be built by the consortium responsible for building the airport: Bouygues-Matrap.

Responsibility for the portion linking this part of the entrance to the town will be assumed by the Ministry of Public Works, while responsibility for the rest will be assumed by the local communities concerned.

As concerns construction of the airport per se, French contractor Bouygues has promised to "deliver" the airport "for immediate occupancy" by next summer.

Several local subcontractors are participating in the construction of the airport (framing of structures and finishing work).

It is estimated that the financing of this important project will amount to 127 billion centimes.

The airport infrastructure will consist of¹:

- airstrips (take-off runway, taxiway, crossovers, aircraft parking, royal pavilion, heliport);
- roadways (vehicle parking, interior traffic thoroughfare: 10 km, fences);
- buildings (maintenance and supply, offices, etc.);
- networks.

This airport's facilities are the biggest and most up-to-date in the kingdom. It is provided with a completely computerized operation. A sophisticated system makes it possible to immediately reveal the outbreak of any fire.

The airport terminal was designed to meet certain requirements. Among them we may cite:

- its harmonious introduction into the natural environment;

- meeting needs for space that take into account the specific requirements of medium-term traffic;

- flexibility in adjusting to an increase in traffic volume.

According to the Ministry of Transportation, these different criteria have dictated the abandonment of conventional designs for an air terminal with satellite structures or a two-level terminal in favor of a single-level, linear terminal offering these advantages:

- economic in terms of construction and operating costs;

- quality of service: the distances covered are clear and they are shorter;

- operational regularity of baggage flow, access on town side and runway side and routing of baggage is handled better.

In short, the characteristics of Agadir's new airport may be summed up in four points:

- 1) modern architecture taking into account Moroccan tradition;
- 2) better quality of service;
- 3) operation simplicity evident in the processing of passengers and baggage at the same (ground) level;
- 4) great flexibility in adjusting to future traffic needs due to the reservation of patio space that will be allocated later for future extensions.

For any purpose it may serve, it must be noted that, aside from Agadir Airport and Hassan II Mosque, French contractor Bouygues has also been entrusted with the construction of a shed at Mohammed V Airport designed for jet aircraft repairs on behalf of Royal Air Morocco (RAM), the Moroccan royal air transport company.

Footnote

1. The airport capacity is estimated to be the following:

- Aircraft parking: 15 parking places, three of them for large carriers (15 hectares).
- Royal pavilion parking: 1.5 hectares.
- General aviation and heliport parking: 2.37 hectares with a capacity of 24 medium-sized airplanes and helicopters.

Financing Difficulties Delay Sidi Ifni Port Project

*91AA0425B Casablanca LA VIE ECONOMIQUE
in French 3 May 91 p 10*

[Article by Mohamed Benfadil: "Sidi Ifni: Port Unfinished, Investments Frozen"; first paragraph is LA VIE ECONOMIQUE introduction]

[Text] No extension of the port without development of investments. No development of investments without extension of the port. With three key sectors (agriculture, tourism, and maritime fishing), the six provinces under the jurisdiction of the Agadir Chamber of Commerce and Industry (CCI)¹ offer investors a large choice.

The efforts being made to make this key development area capable of competing with that of Casablanca are actually estimated at several tens of billions of dirhams. This covers the construction of several dams (Youssef Ben Tachfine, Abdelmoumen, Aoulouz) to feed the phreatic layer of the entire region, the construction of airports (Agadir, Tan-Tan, and Guelmim and of three ports (Agadir, Tan-Tan, and Sidi Ifni)).

Moreover, three industrial zones have been developed to meet investors' needs: two in Agadir (Ait Melloul and Tassila)² and one in Sidi Ifni.

These facilities are, however, deemed to be insufficient to satisfy investors' expectations.

Obstacles like those of the port of Sidi Ifni or administrative sluggishness have been cited to justify these concerns.

Paradoxes

The 30 million dirhams invested in the industrial zone surrounding the port of Sidi Ifni continue to be ineffectual for lack of additional efforts to complete construction of this port.

On the one hand, shipowners refuse to allow their ships to operate in the bay of a port which, according to Mr. Ratbi, the secretary general of the "Agadir Association of Trawl-Fishing Shipowners," does not offer them a minimum of safety.

On the other hand, investors in the industrial zone therefore want guarantees of a normal supply of ocean-fish resources before assuming the risk of building their plants.

So the investors and the authorities keep tossing the ball back to one another. At the Ministry of Public Works they feel that the volume of investments committed to the industrial zone is insufficient to require expansion of the port.

However, the fact that the Ministry of Maritime Fishing and Merchant Marine cannot force some at least 30 of the approximately 70 ships transiting this port, including those registered in Sidi Ifni, to remain in port may, according to Agadir CCI officials, means that the present state of the port does not meet the required safety standards. Hence the need for completing the work on this port to thus resolve the problem of the frozen investments. In fact, since its current capacity is only 50,000 tons a year, the anticipated demand of the fish-processing plants in this zone (40 units) cannot be

met. Because, according to local professionals, this volume permits the operation of no more than three canneries.

Interested investors are therefore demanding completion of the second phase of the port project, which they feel must take place "as quickly as possible" so that they can make planned, short-term investments totaling 500 million dirhams, which would enable them to create 6,000 permanent and about 8,000 seasonal jobs.

It must be noted that the Sidi Ifni industrial zone extends over a total surface area of over 38 hectares. Its improvement has required an appropriation of nearly 15 million dirhams. The cost per square meter is estimated at 60 dirhams and the foreseeable volume of investments comes to 500 million dirhams.

Economic Decentralization: an Imperative Necessity

But the obstacles to the economic upturn reckoned on for the region are not limited to the problem of Sidi Ifni. Other difficulties, procedural in nature, have cropped up to interfere with the development of the southern provinces.

What is at issue is the inadequacy of administration efforts to deconcentrate the economy. Businessmen who plan to invest in this region in fact want to take care of all their administrative worries locally instead of turning to the central agencies to comply with the slightest formality.

It is well known that an effective deconcentration is necessary for a good (economic) decentralization program. In connection with this, the businessmen of the Agadir area think that this failure to effectively decentralize is likely to adversely affect investors' interests, to compromise their interests in the region, which would constitute a considerable loss for the national economy.

To avoid this regrettable consequence, the Agadir CCI wants to appeal to the government to create all the services necessary to provide investors with assistance: customs, financing and currency exchange institutions, etc.

To facilitate the shipping of goods, it further proposes contact between professionals operating in the South and their partners and the creation of regularly scheduled airlines and maritime shipping companies.

Furthermore, ocean-fish resources, for which the coast running from Agadir to Tan-Tan is famous, and the importance of traffic in the port of Agadir (2 million tons a year transit through it) suggest to this town's CCI officials the creation of an international fish stock exchange.

In short, local investors think that the creation of tribunals specializing in commercial and labor cases (staffed with magistrates also specializing in them and on which representatives of employers and employees sit) would

serve to encourage investment in the region, considering the potential of the various economic activity sectors.

Footnotes

1. The Agadir CCI encompasses six provinces: Agadir, Tiznit, Tata, Tan-Tan, Guelmim, and Taroudant.

2. The port of Agadir is composed of:

- A commercial port whose basin covers 50 hectares, with a 2,300-meter breakwater, docks covering 68 hectares (ships of 80,000 tons).

- A fishing port (basin: 42 hectares, dock: 31 hectares, warehouse: 28,000 meters).

- A yacht harbor, which is soon to be opened: one 6-hectare basin and a berthing capacity of 316 units ranging from 6 to 40 meters in length.

- A boat repair shed.

The fishing port's berthing capacities and facilities make it the biggest fishing port in Morocco and headquarters of the local fishing stock exchange.

First Quarter Port Traffic Down From 1990

91AA0425A Casablanca LA VIE ECONOMIQUE
in French 26 Apr 91 p 18

[Article: "Port of Casablanca Traffic Down 2.9 Percent in First Quarter"; first paragraph is LA VIE ECONOMIQUE introduction]

[Text] But, while phosphates and by-products are temporarily in a sharp decline, the other products have been advancing briskly as concerns both imports and exports.

The port traffic for the first quarter of this year came to a total of 9,027,895 tons divided between 4,861,582 tons in imports and 4,211,313 tons in exports, or 53.5 percent and 46.5 percent, respectively.

This is 2.9 percent less than the corresponding figure for the same quarter in 1990.

I. Analysis by Category of Product Handled

Despite the ongoing upturn that began in February in the traffic in products related to phosphates, this traffic is still 27 percent less than its volume at the end of March 1990.

The 38-percent drop in imports is due to sulphur (-42 percent), whereas the drop in exports, which accounted for 23 percent (as against 32 percent at the end of February), can be explained as being due to phosphates (-21 percent) and phosphoric acid (-41 percent).

The rest of the traffic (other than phosphates and their by-products) rose 16.9 percent for both imports and exports.

However, the rate of this increase varies according to the different products.

We note in particular the continued sharp increase in the grain traffic, 710,583 tons (+84 percent), and the same is true for the traffic in citrus fruits and early vegetables, 369,154 tons (+30 percent); coal, 299,983 tons (+28.1 percent); ro-ro [roll-on/roll-off freight], TIR [international highway transport], and containers, which are essentially industrial products, 1,089,692 tons (+22 percent); and hydrocarbons, 2,280,725 tons (+15 percent).

II. Analysis by Form of Packaging

The traffic in bulk liquids increased by 4.4 percent with 2,630,747 tons as against 2,518,636 tons during the same period last year.

Container and ro-ro traffic rose by 6.4 percent and 17.1 percent, respectively, TIR experienced a boom with an increase of 54 percent but with a drop in phosphates and sulphur traffic and despite the increase in coal, and the traffic in bulk solids with a volume of 4,386,447 tons was 7.8 percent less than it was last year. As for the traffic in miscellaneous products, it dropped by 2 percent.

Analysis of Traffic by Port

With 553,926 tons, the port of Agadir saw its traffic nearly doubled (+94 percent) thanks to the grain traffic and citrus and early vegetable exports.

The ports of Tangier, Mohammedia, and Casablanca had traffic volumes of 256,556, 1,682,312, and 4,084,244 tons, respectively, that is, increases of 16.6, 12.9, and 7.3 percent. We note, however, that the traffic in imports of miscellaneous goods in the port of Casablanca increased by 32 percent in comparison with that of the first quarter of 1990.

The other ports recorded more or less large declines, the biggest of which involved the phosphate carrier ports of Jorf Lasfar (-27 percent) and Safi (-30 percent).

The distribution of traffic by port shows that Casablanca represents 45 percent of the national traffic, Mohammedia 18.5 percent, and Jorf Lasfar 11.8 percent. With 1 percent, the port of Kenitra represents the smallest share of it.

Passenger Traffic

The number of passengers that transited the ports has been established at 47,306 arrivals and 71,686 departures on cruises, that is, variations of -27.4, -22, and -67 percent in comparison with 1990.

As for the number of vehicles, it amounted to 15,157 (+12.1 percent), divided between 6,798 arrivals and 8,359 departures.

Distribution of Traffic by Packaging Type

Kind	March 91	Mar 90	Percentage of Change
Bulk liquids:			
Hydrocarbons	2,280,725	1,985,072	14.9
Other bulk liquids	350,022	533,564	-34.4
Total 1	2,630,747	2,518,636	4.5
Bulk solids:			
Grains	710,583	386,438	83.9
Phosphates	2,197,076	2,802,450	21.6
Coal	299,983	234,109	28.1
Sulphur	454,242	791,202	-42.6
TSP	70,473	80,395	-12.3
Other bulk solids	654,090	461,306	41.8
Total 2	4,386,447	4,755,900	-7.8
General merchandise:			
Containers	374,364	351,685	6.4
TIR	355,014	217,480	54.0
Ro-ro	380,314	324,755	+17.1
Miscellaneous	966,009	1,175,302	-17.8
Total 3	2,055,701	2,069,222	-0.7
Grand total	9,072,895	9,343,758	-2.9

(Source: ODEP [expansion not given])

Tourism Crisis in Tangier Shows No Improvement

91AA0425D Casablanca LA VIE ECONOMIQUE
in French 3 May 91 pp 12-13

[Article by Jamal Amiar: "Tangier: 'Tourism Crisis Is Only Temporary'"]

[Text] It is easy to park in front of Tangier hotels nowadays. It is easy to park now as, moreover, do all the visitors who have easily found parking here for months now. It is in just this way that we can verify the fact—before asking a single question or getting a single answer—that the hotels, travel agencies, bazaars, or restaurants are standing idle.

Traditionally quiet, this year the winter tourist season is suffering the full impact of the consequences of the Gulf war and the decline in the number of European customers arriving for a period of several years now.

With the reports of the cholera epidemic as of the end of last August, tourism in Tangier began to suffer.

This winter, following the cholera and the chill in Franco-Moroccan relations, tourist sector professionals began to seriously worry about the situation. Tangier, a city of tourism, is becoming less of one with every passing day.

For several months now, the decline in the number of arrivals of visitors in Tangier has been a fact. On the one hand, this has financial and social consequences and, on

the other, this chronic depression situation is giving people cause for thought as to what tourism may be like tomorrow on the shores of the Straits [of Gibraltar].

For the moment, one thing is certain: For better or for worse, the face of tourism in Tangier will be remodeled by the present crisis—and for a long time to come.

Tourists Are Gone

As elsewhere in Morocco and in the tourist towns of the southern Mediterranean, tourists began to desert the city of the Straits last fall and the development took a dramatic turn as of the outbreak of the Gulf war last 17 January.

"In the days that followed it, tour operators sent their clients home. This was the case with the British companies, Thomson, Cosmos, and Sund Med. The German companies, Orion and Neckermann, took the same view."

While the normal occupancy rate during the months of February, March, and April is from 25 to 30 percent, depending on the hotel, their occupancy rate dropped to 5 percent, sometimes less than that.

At the Hotel Solazur (500 beds), for example, which normally averages between 150 and 200 persons a night during this season, the figures dropped to from 10 to 20 persons a night.

These figures have begun to improve since the beginning of April.

The average is at present about 80 to 90 customers a day. The situation is the same in the rest of the hotels in the city, from the Minzah at 1,100 dirhams a room to the Flandria at 400 dirhams a room. At the Hotel Solazur the management thinks that its losses for the first six months of this year will amount to nearly 5 million dirhams. Manager Dirk Dathe thinks that it will be impossible for his hotel to recoup that much money during the high season in the months of July and August. The drop in sales volume is also being felt by the travel agencies and other tourist businesses. This winter in Tangier the number of cruise ships that stopped in the port dropped by nearly 90 percent. The situation is identical with regard to the number of daily visitors, those tourists who arrive from the Costa del Sol for a night or tour bus passengers who arrive for a night or two.

When Expenses Exceed Receipts

Since January, the hotels in town have begun to lay off all employees not under contract. Some 20 persons at the Hotel Minzah and another 20 at the Solazur, for example.

In this last-named hotel the payroll is nearly 500,000 dirhams a month plus water, electricity, and telephone expenses. For the last three items the bills have been temporarily settled on orders from the government. The local public corporation and the PTT [Postal, Telephone, and Telegraph Service] will charge them more when the hotelkeepers' coffers begin to fill up. In exchange, the government has asked the hotelkeepers to avoid layoffs.

But, while this has been possible up to now, every day that passes renders the status quo untenable.

Every Hotel Is Trying Out Formulas

At the Solazur they have not laid off any member of the staff under contract, but they have already granted them leaves of absence for 1991. Soon they may have to suggest to their employees that they also take their 1992 leave. But even that may not be enough to compensate for the decline in hotel receipts.

The management is drafting a plan, to go into effect on 1 May, aimed at employing the entire staff half-time on half pay.

This plan is still being discussed on the Avenue des FAR and the situation is somewhat embarrassing for everyone. Some members of the staff propose that the wage cuts be applied to only heads of department and management at first.

Others argue that it is easier to live with half of 5,000 or 6,000 dirhams than with half of 1,500 or 2,000 dirhams. Now, a chambermaid gets 1,250 dirhams a month and a reception chief 2,200 dirhams.

If the crisis persists, they will have to meet again and see where they will have to reduce expenses again.

The travel agencies have also been hit. We will call the agency in question "Horizons" because its management preferred to remain anonymous.

This is why at the start of this year Horizons was thinking of issuing brochures announcing the organization of top-of-the-line trips. A difficult venture in these times. The agency cancelled all the arrangements made in connection with this, cancelled the jobs with the printer, and fired its messenger boy. There was nothing to deliver or bring back any more.

At this point they do not hesitate to warn us that, if there is a social decline, it will not fail to damage the image of our tourist product for a long time to come.

"First Plane Free"

In the face of this serious crisis, tourist sector professionals in Tangier are reacting or trying to react to cushion the social and financial consequences.

According to a Tangier travel agency, "if they balance the books by next 31 December, it will be a great success."

Some Tangier agencies are rediscovering the charms of Marrakech or Ouarzazate. At least two local agencies are offering long weekend stays at these destinations departing from Tangier.

Others, formerly specializing more in car rentals or welcoming the cruise ships, are less "averse" to working with tickets.

And last, others are taking advantage of the new Foreign Exchange Bureau rules governing tourist businesses to study the possibility of providing organized trips abroad.

The time for diversifying their products and sources of income has come for each of them. The hotels are looking for business more aggressively and offering foreign clients many additional advantages.

Thus, the Hotel Solazur has offered the tour operator, Orion, "the first plane free." The hotel will absorb the expenses of the first group of 130 persons that its German partner sends it. The hotel management explained that this will cost the hotel about 50,000 dirhams, but that in return the tour operator is obliged to publicize the offer and continue to publicize it for the remainder of the season. "This may be viewed as a promotion expenditure."

Domestic Tourism Is Not Enough

So how will they recoup their losses following this crisis? Everyone is asking himself this question.

One of the answers that comes to mind most quickly for professionals in this field is the promotion of domestic

tourism. This would involve lowering the prices of hotel rooms to make trips and stays in hotels more affordable for Moroccan clients.

During the weekend of last 3 March, for example, the experiment was tested with relative success.

The hotels have indeed chalked up an occupancy rate of close to 100 percent. On the other hand, stays have produced less in terms of total sales volume and cost hotels more in terms of damage and "pilferage."

Aside from the "transitory incidents" of domestic tourism, some professionals here do not hesitate to offer proof, with the figures in hand, that this option will not solve the short- and medium-term problems of domestic tourism.

"We estimate," a Tangier hotelkeeper asserted, "that a Moroccan household has an annual income of 100,000 dirhams. Of this, 90,000 dirhams are spent on three items: rent, food, and miscellaneous expenses (car and children's education, for example). This leaves 10,000 dirhams, which are spent on leisure activities. To be sure, the household may spend from one and a half to two times more time than usual on vacations, but the amount spent remains unchanged. This fills the hotels, but at less profit for tourist professionals, particularly the hotelkeepers."

The person we were talking to concluded: "We delude ourselves in thinking that domestic tourism can replace international tourism."

"We have to be tougher on ourselves," the person we were talking to added. "We have to seriously think about improving our tourist product to attract customers who spend a lot of money—and in *hard currency*!"

Calls for self-criticism and radical reform of the situation are becoming increasingly numerous on the shores of the Straits.

Golf Club's Blue River or 'The Tourist Is Everyone's Guest'

In Tangier, the gateway to Europe and Africa, what ought to be one of the kingdom's showcases for visitors is a "calamity," an "object of repugnance."

The situation has existed for several years now: Symbolic of this is, for example, the city's golf club, crossed by a river into which industrial plants dump their waste.

This produces a brackish, dark blue river that gives off nauseating odors amidst the otherwise very well tended greens.

Professionals cite the same problems that are damaging the image of our tourist product.

Moreover, the height of the deterioration of the tourist situation in Tangier is exemplified by the case described

by a travel agent of a promotion trip made by Spanish journalists last month. The latter were insulted in the old city [native quarter].

Fake guides are everywhere here. Nonprofessionals who damage the quality of the product. To return to it briefly, the quality of the environment leaves a great deal to be desired.

Professionals cite the case of the dirty town square, sewers that empty into the Bay of Tangier, or even of the dumping of garbage on the road to Cap Spartel. Not to mention buildings vying with one another in unsightliness at the present time in the city....

No one here expects any miraculous improvement unless these problems are attacked head on and unless all the services and individuals concerned do their jobs.

Alongside these problems of city planning, environment, and fake guides, we must do what can a priori be done quickly and is consistent with the law. The case of Project Forum is illustrative of this paradoxical situation in the city of Tangier. A city full of assets, but also one without a sense of the practical.

Perpetual Project Forum

Over six years ago the tourism promoters of Project Forum signed an agreement with the state. Under its terms, supplemented by a rider in 1989, real estate developers are responsible for the construction of all on-site facilities.

The first shovelful of earth was to be turned 10 months after that. Nothing has happened yet. The reason for this situation is a simple one: For Project Forum to get off to a start, the local municipality requires the developers to pay for the cost of bringing water from 4 km outside of the city of Tangier to the shore of the bay. Project Forum consists of the construction of two casino hotels, an apartment hotel complex, a yacht harbor, sport facilities, swimming pools, and other shops in particular. The developers now assure us that all that remains for them to do to get started is to resolve the water problem.

At stake: 6 billion dirhams in investments and hundreds of jobs. According to a Tangier tourism professional, the liberation of Project Forum is the only thing that can today save the Tangier tourist sector and its image.

"The realization of Project Forum should induce other local places of business to renovate and raise the standing of the services and assistance they provide." The professional in question cited the case of Tangier cafes that have turned over a new leaf these past few years.

"All it took was for one cafe in town to turn over a new leaf for all the other cafes to follow it in turn and tackle the job one after another."

Tourism professionals also feel that the municipality can do more and better.

If the latter levies various duties and taxes (municipal administration and value added tax in particular), it must work in the interest of the city.

A travel agent cited the case of paired trips on which travel agency professionals (contact, exchange, and communication professionals in particular) are not invited. The issues of cleanliness and environment also crop up again in conversations.

"And we keep asking ourselves what has to be done to improve the way we welcome visitors at the airports, to improve the condition of our taxis and the appearance of their drivers—all of these are things that are regulated in ambitious cities."

The tourism crisis is not a temporary affair in Tangier.

SAUDI ARABIA

Revenues, Projections for Islamic Investment Bank

91AE0417A Jeddah ARAB NEWS in English
18 May 91 p 12

[Article by Muhammad Ibrahim]

[Text] Jeddah, 17 May—Dar al-Mal al-Islami (DMI) has made revenues of \$67 million and net profit of \$19.1 million in 1990. It will distribute dividends at the rate of \$4 per share unit among its 15,000 shareholders and will open a new Islamic investment bank in Pakistan, Prince Muhammad al-Faysal, chairman of the advisory board of the trust, announced.

"Despite the unfavorable political and economic conditions in the region during the second half of last year, we have been able to increase our revenues by nine percent and our profits by 23 percent over 1989," he told ARAB NEWS.

The group last year made profits of \$15.5 million and distributed dividends at the rate of \$3 per unit share.

Prince Muhammad noted that the funds under management of the trust, which reached more than \$2.5 billion, began to shrink in the wake of the Gulf crisis as a result of withdrawals but said clients who withdrew their funds are returning them now.

The group recently held its ninth general assembly in Islamabad under Prince Muhammad al-Faysal who presented an integrated report about the previous activities of the trust and its future plans aimed at spreading the concept of Islamic economy and achieving more profits and better services for clients.

During his stay in Islamabad, Prince Muhammad met with Pakistan President Ghulam Ishaq Khan and Prime Minister Nawaz Sharif who both welcomed the decision of the group to open an Islamic investment bank in Pakistan.

Khidr M. 'Ali Ibrahim, managing director of the Islamic Investment Company of the Gulf, which is a member of the DMI, said the bank will have a capital of \$5 million and will explore the investment opportunities in Pakistan with a view to employing part of the DMI's resources there.

This will be the group's fifth Islamic bank in Pakistan. Faysal Islamic Bank of Bahrain alone has three branches in Karachi, Faisalabad and Lahore.

'Ali Ibrahim described the general assembly's meeting as very successful and said the attendance of the shareholders or their representatives was unprecedented.

He said the officials of the DMI held meetings with Pakistani ministers of finance, commerce, economy and labor and manpower. They also met with Pakistani businessmen and officials of the chambers of commerce in Islamabad, Lahore and Karachi. "Talks in these meetings focused on the new economic trend in Pakistan aimed at liberalization and privatization and the possibility of attracting foreign investments," he added.

The DMI was established in 1981 to contribute to the concept of Islamic economy and realize the welfare of Muslims everywhere. It consists of banks and investment, business, finance and Takaful (insurance) companies.

The group has recently added three new financial institutions to its network of Islamic banks and companies. These are the Faysal Finance Switzerland, Faysal Holding Luxembourg and the Islamic Bank International Denmark.

Through its affiliate Faysal Holding Luxembourg, the DMI has purchased the IBI [expansion not given] which is now operating from Copenhagen as a new arm for the group in Europe.

"This bank will help contribute to the understanding of the concept of Islamic economy in Europe. It will also provide all banking operations through a consummate network of communications and modern technological means," 'Ali Ibrahim said.

He said the bank will also help strengthen the presence of the DMI in Europe before its unity next year. "It is a necessary step to broaden activities in Europe before 1992," he added.

The Geneva-based FFS [expansion not given] provides all banking services to the DMI companies operating in the fields of banking, economy, finance, investment and insurance who together have more than 150,000 clients worldwide.

Marketing, Refining Company's Performance, Goals

91AE0417B Jeddah ARAB NEWS in English
13 May 91 p 11

[Text] Riyadh, 12 May (SPA)—The refining capacity of the Saudi Arabian Marketing and Refining Company (SAMAREC) is now over one million barrels per day [bpd], with refined products exports totaling 400,000 bpd, Husayn 'Abdallah Linjawi, the company's designate-president and chief executive officer has said.

In a statement to the Saudi Press Agency today, he said 30 percent of the exports are light products, 20 percent distilled materials and 50 percent fuel oil.

Sixty percent of the exported materials are supplied from the refineries on the Arabian Gulf, while 40 percent are supplied from facilities on the Red Sea. SAMAREC also exports 400,000 barrels daily of liquid natural gas, Linjawi said.

Highlighting the mission of SAMAREC to take the Saudi petroleum industry into the 21st century, Linjawi recalled a recent statement of Petroleum and Mineral Resources Minister Hisham al-Nazir given in Boston in which he had affirmed that the company is another major pillar of the petroleum industry's reorganization in the Kingdom and that it has come up with innovative marketing strategies in a difficult market.

"The current challenges of the petroleum industry were given first priority in order to improve and develop the Kingdom's potential to the greatest extent possible," Linjawi said.

"We have set up procedures to realize the best possible economic returns from the refineries, both the local refineries and the export refineries, which are now managed by SAMAREC. We are now trying to implement uniform procedures at both the local refineries and the export refineries," he said.

Regarding the planning and technical sector, he said the company is successfully supporting production, distribution and international marketing.

Its finance and manpower department has developed financial and administrative procedures and is dealing with employment and training needs. All SAMAREC financial procedures have been unified and a complete central system set up for gathering data, he added.

SAMAREC's distribution division carries out its duties smoothly through facilities in the eastern, northern, western, southern and central regions. The main warehouses in Dammam, Riyadh and Jeddah are now supplying the needs of their areas, Linjawi said.

The international marketing division is one of the most important sectors in the company. It is the company's face overseas, it is also the main source of information for all company departments, he added.

Linjawi said SAMAREC has adopted a new system for spot sales. "This system specifies SAMAREC's contractual obligations with its clients, and identifies excess amounts of products at all refineries after contractual obligations have been met. These excess amounts are sold at auction twice a month.

He affirmed that SAMAREC's accomplishments in a short time were made possible by the direct guidance of Custodian of the Two Holy Mosques King Fahd and Crown Prince 'Abdallah, the Deputy Prime Minister and commander of the National Guard as well as great care extended to it by Petroleum and Mineral Resources Minister Hisham al-Nazir.

The formation of SAMAREC was meant to achieve three main goals: Operations and management of refineries and other capital assets on the highest possible level, realizing maximum profits by developing long-term international markets, and distributing products in domestic markets with the greatest efficiency and at the lowest cost.

SYRIA

M-9 Missiles To Be Acquired From China

TA0506133991 Tel Aviv HA'ARETZ in Hebrew
4 Jun 91 p 5

[Article by Reuven Pedatzur]

[Text] Reports of a possible deal to acquire M-9 ballistic missiles from China corroborate the post-Gulf war campaign of the Syrian army to arm itself. In accordance with the decisions of President Hafez Assad, the Syrian army has begun a massive process of equipping itself—by taking advantage of the large grants transferred to Damascus by the Gulf states, which are grateful for its willingness to take part in the coalition against Iraq.

The hastened acquisition of ballistic missiles—just over two months ago, Scud-C missiles arrived in Syria from North Korea—is evidence that the defense hierarchy in Syria estimates it must now exploit what has been perceived as a weak point in Israeli security policy. The Syrians want to take advantage of the fact that Israel is vulnerable to surface-to-surface missile attacks and they have, of late, given great weight to the ballistic dimension. The manifestations of a lack of confidence among the Israeli military hierarchy and the exodus of Tel Aviv residents in the wake of falling Iraqi Scud missiles, has been well-learned among the Syrian General Staff.

Syria is already equipped with an impressive arsenal of ballistic missiles and it is able to hit population centers and strategic targets throughout Israel. The Syrians are capable of striking such targets—like airports, power stations and emergency warehouses—in the north with great accuracy. This is owing to the SS-21 missiles which are highly accurate—within about 300 meters. These missiles have a range of about 80 to 100 kilometers. The

Korean Scud-C missiles have a range of 600 kilometers and, therefore, the Syrians can position them deep in their territory and still cover all of Israel.

Contrary to the uncertainty rampant in Israel as to the existence of chemical warheads for Iraqi Al-Hussein missiles, it is clear that the Syrians possess these warheads. The Syrian army has developed an impressive chemical capacity and—in addition to chemical ballistic missiles—the air force is equipped with chemical bombs. Unconfirmed reports also refer to biological weapons which Syria has succeeded in developing.

The armament and modernization trend dictated by President Assad is primarily intended to achieve the central goal of recent Syrian policy—strategic parity with Israel. The achievement of this objective was perceived in Syria as unrealistic until the Gulf crisis, but now—in light of the lessons of the war—it appears that the Syrian leadership is likely to see ballistic missiles as the balancing element against Israel. This is the reason that Assad is prepared to invest large funds in arming himself with missiles, which—for him—represent strategic weapons of the first order.

There are more than half a million troops in the Syrian army and it is primarily a career army. Only 190,000 of its soldiers are reservists. It comprises 10 divisions, of which six are armored and three are mechanized.

In addition to the allotment of funds toward the acquisition of ballistic missiles, the Syrian army is diverting considerable resources to funding the large arms deal—whose details were finalized not long ago—with Syrian arms acquisition the Soviet leadership. Among other things, Syria wants to acquire new combat aircraft,

including Mig-29s. It also wants to receive new T-72 battle tanks and advanced surface-to-air missile batteries.

The Syrian armored corps has 4,200 tanks, including 1,100 of superior quality. The Syrian army also has 3,800 armored troop carriers and at least 2,300 artillery barrels of different types.

The Syrian air force is of considerable power and it contains 620 combat aircraft. The air force operates advanced Soviet combat aircraft, including the Mig-29. It also possesses Sukhoi-24 bombers, which have a superior low-altitude penetration capacity. The Syrian air force also developed an impressive task force of antitank combat helicopters. The air force also has about 110 Soviet Mi-24 and Mi-25 combat helicopters and French Gazelle helicopters, which took part in the Lebanon war.

The Syrians also have a tight air defense network, based on a few strata of surface-to-air missiles and an awesome number of anti-aircraft cannons. The Syrian air defense network also contains SAM-5 long-range anti-aircraft missiles which are of strategic significance. These missiles have a range of 250 km and can thus extend into Israel as well.

Essentially, the Syrian army is continuing its buildup and is maintaining a good pace and high level of training. The greatest boost Syria received due to the Gulf war was an injection of encouragement for the process, which had encountered difficulties in recent years.

The commanders of the Syrian army admit that, at this stage, the longed-for strategic parity with Israel has still not been achieved, but they do not rule out the possibility of its being achieved in the near future.

AFGHANISTAN

Afghan Prime Minister Agrees to Talks

BK2205175091 Hong Kong AFP in English 1735 GMT
22 May 91

[By Anosh Ahamath]

[Text] Kabul, May 22 (AFP)—Afghan Prime Minister Fazle Haq Khaliq Yaar said Wednesday he was prepared to meet mujahidin leader Burhanuddin Rabbani "anywhere, any place" for talks to resolve the Afghan conflict.

Mr. Khaliq Yaar was responding to an offer by the leader of the Jamat-i-Islami that he was ready to talk with any Afghan minister who was not a member of the ruling party and who did not claim to represent Kabul.

Mr. Rabbani made the offer in an interview with the BRITISH BROADCASTING CORP last week.

Mr. Khaliq Yaar is one of the ministers in President Najibullah's regime who does not belong to his ruling Watan (Homeland) Party, formerly called the People's Democratic Party of Afghanistan (PDPA).

"We welcome this offer by Professor Rabbani," he told a meeting of senior teachers and professors here. "It is a positive step towards reaching a political settlement of our country's problems. If Professor Rabbani is prepared for talks, I am prepared for talks anywhere, any place," he said.

Asked if he would meet the guerrilla leader as an individual rather than as prime minister, Mr. Khaliq Yaar replied: "I would like to say that all Afghans from the president to the ordinary citizen...are prepared to work for a peaceful settlement."

"It would be a meeting of one Afghan brother with another," he said, adding that he had not yet established contact with Mr. Rabbani but hoped to do so soon.

Mr. Khaliq Yaar also welcomed a statement by United Nations Secretary General Javier Perez de Cuellar in which he put forward basic elements that were needed to hammer out a political solution to the Afghan conflict.

The statement, released here Wednesday by the Foreign Ministry, said the elements would serve as a good basis for a political settlement.

The elements include a transitional period that would have an impartial transitional mechanism with appropriate powers to ensure free and fair elections, leading to the formation of a broad based government.

Other points were a cessation of hostilities, the preservation of Afghanistan's sovereignty, nonaligned and Islamic character, recognition of the right of the people to determine their own form of government without interference and an agreement to end arms supplies to warring Afghan sides.

The UN secretary general's statement followed the conclusion of another round of intensive consultations by Mr. Perez de Cuellar's personal representative to Afghanistan, Benon Sevan, with Afghan leaders.

Alliance Seeks Support of Peshawar Groups

BK2105043391 Lahore THE NATION (Islamabad THE NATION Supplement) in English 20 May 91 p 3

[By Shamim Shahid]

[Text] Peshawar—Leaders of the newly formed three Afghan parties Alliance are struggling to get support of Peshwar-based independent groups along with individual Afghan commanders, THE NATION learnt reliably.

According to the source, the activists of Alliance have formed a Commission who besides presenting proposals and suggestions for expansion of the Alliance would work for getting support of the independent groups. The Commission has started its work and its negotiations are going on with leaders and representatives of the independent groups.

The source further said that the Commission would also struggle for achieving support of Iran-based Shia Afghan groups, who had not joined the Afghan interim government formed in Rawalpindi in February, 1989 last. The AIG [Afghan Interim Government] President accompanied by his Ministers is likely to discuss objectives of the three parties Alliance with the Iran-based leaders of the Afghan Resistance groups.

The component parties of the three parties Alliance considered staunch supporters of the former King Mohammad Zahir Shah and it seems that for expanding the Alliance, they would exploit this stance. A great number of individual Afghans mostly nationalist elements also favour return of the former King as head of the interim government of Afghanistan.

Similarly, most of Darri speaking Afghans residing in Iran and Western countries also support the ex-Monarch as head of the Interim Government to pull the Afghan people out of present civil war-like situation. The issue of formation of a broad based Alliance amongst moderate and independent Afghan leaders was also discussed in Peshawar recently on the eve of an international seminar in February last. The said seminar was a largely attended by former Afghan Ministers, military officers and professors. Prominent among them were Dr. Samad-Hamid Dr Mohammad Yousaf, Sardar Aziz, Abdul Rehman Pazwak and others.

The source was hopeful that in final steps the said Alliance could be joined by some of activists of Peshawar-based fundamentalist groups with a view for early resolving of the Afghan crisis. The Commission leaders were also in touch with Jamiat-i-Islami of Prof Burhanud Din Rabbani and Hizb-e-Islami Chief Maulvi Younas.

Mujahidin Capture 160 Kabul Militiamen at Qila Sukhta

BK2105011891 Islamabad THE PAKISTAN TIMES
in English 20 May 91 p 1

[Text] Peshawar, May 19—One hundred and sixty militiamen of the Kabul regime were captured while 50 others injured a number of others killed and large number of arms captured when Mujahidin attacked the regime militia base at Qila Sukhta village in the Sarpul district of Juzjan province on May 15.

Mujahidin under General Commander of Juzjan, Maulvi Rustam forced the regime militia commander Zahir Mullah Mulhim to flee for his life along with a number of militiamen. Five Mujahidin embraced martyrdom while eleven others sustained injuries during the operation.

Earlier Mujahidin destroyed three ammunition dumps of the regime militia in Qila Sukhta village by rocket fire.

Military Victories, Rebel Infighting Reported

LD2005100291 Kabul BAKHTAR in English
0440 GMT 20 May 91

[Text] Kabul, May 19, BAKHTAR—The extremist war-mongers centres and positions were heavily pounded by the RA [Republic of Afghanistan] Armed Forces in Moqor District of the Badghis Province recently.

A military correspondent of BAKHTAR reported as a result of the strikes a number of extremists were killed, a rocket launcher, a mortar, two heavy machineguns, two foodstuffs depots and (?nineteen) positions of the extremists were completely destroyed.

The report said during the mop up operations carried out by the RA Armed Forces units deployed in Ghazni Province on May 18, 1991, a large quantity of arms and ammunition of rebels including 62 missiles, 110 mortar shells, 20 cases of field recoilless guns's bullets and 40 pieces of light weapons were seized.

Furthermore, 12 kg explosives hidden by Gulbuddin extremists in the crowded quarters of Kabul city was detected and defused today.

The report says personnel of the security forces of the RA deployed in Nimruz Province south-west Afghanistan seized over 100 opium [as received] worth over Afs [afghanis] 1,440,000 in that province as well as 23 anti-personnel mines today.

Rabbani and Gulbuddinn followers have fought recently against each other in the relevants of Ghowr province resulting in killing of 26 extremists from both sides and wounding of 12 others.

Besides, an ammunition depot of the war-monger extremists was detected by organs of the State Security Ministry in the relevants of Mohammad Agha District, Lowgar Province today as well.

'Fierce Clashes' in Ghazni, Herat Reported

BK2105162491 Islamabad Radio Pakistan Network
in English 1600 GMT 21 May 91

[Text] Reports from Afghanistan speak of fierce clashes between mujahidin and Kabul regime forces in Ghazni and Herat provinces. While consolidating their control over the road connecting Herat and its border town of Towraghudi, mujahidin attacked the Kabul regime's corps headquarters in Herat where most of the supplies were set on fire. Thirteen Kabul regime troops were killed and several others injured in the attack.

Scud Attack Launched Against Guerrillas

BK2205164791 Hong Kong AFP in English 1637 GMT
22 May 91

[Text] Peshawar, Pakistan, May 22 (AFP)—The Afghan Government has launched a Scud missile attack on guerilla positions in the northeastern region of Khvajeh Ghar, leaving at least 20 dead and 26 wounded, a rebel spokesman said here Wednesday.

Elsewhere, air attacks have continued since mujahidin forces led by Commander Ahmed Shah Mas' Ud took Khvajeh Ghar, near the Soviet border, according to his spokesman Ahmed Zia and rebel news agency MIDIA [Media Information Department of Islamic Afghanistan].

Five Scud missiles were fired Tuesday, including on the headquarters of the 55th division of the Afghan Army, which the mujahidin conquered a week ago. A missile attack last Wednesday left seven rebels dead and 20 wounded.

According to MIDIA, the Scuds were fired from launching ramps in the region of Kabul.

Meanwhile, an Afghan resistance spokesman said here Wednesday the guerrillas would never enter into dialogue with the ruling party in Kabul under any circumstances.

Commenting on UN Secretary-General Javier Perez de Cuellar's statement Tuesday calling for a political settlement in Afghanistan, information minister of the rebel Afghan Interim Government (AIG), Najibullah Lafraie, said his suggestion for talks among Afghans to establish a broad based government "needs clarification."

"If it includes the People's Democratic Party of Afghanistan (renamed as Watan Party) in any form, our stand is well-known," Mr. Lafraie said.

"We reject any dealing with them," Mr. Lafraie said, adding that the AIG, which is based in Pakistan, would be examining the implications of the secretary-general's proposal in detail.

In his statement, Mr. Perez said a transition period should follow talks among Afghans aimed at establishing a broad based government.

Such a period, the secretary-general added, should involve a credible and impartial transition mechanism with appropriate powers and authority that would provide the Afghan people with "the necessary assurances to participate in free and fair elections."

The 12-year-old war in Afghanistan, which has left more than one million dead, continues despite the Soviet military withdrawal two years ago.

No immediate Pakistani official reaction to the secretary-general's statement was available.

At a meeting with Benon Sevan, personal representative of the UN Secretary-General, here this month, President Ghulam Ishaq Khan had reiterated Pakistan's "firm commitment" to a political settlement of the problem.

Mr. Sevan who has had talks in Islamabad and Kabul and with the resistance is due to present a report to Mr. Perez de Cuellar.

The official ASSOCIATED PRESS OF PAKISTAN (APP), in a report from New York on Tuesday, quoted a UN spokesman as saying Mr. Sevan was "optimistic" about reaching a political solution.

Curfew in Konarha Province After Clashes

BK2105121991 Lahore *THE NATION* in English
21 May 91 pp 1, IV

[Text] Peshawar—Curfew has been clamped in various villages of Konarha, only liberated province of Afghanistan controlled by Mujahidin, following the killing of three security guards of the Amaarat-i-Islami (partly ruling the area) at the hands of Hezb-e Eslami-e Afghanistan [HEA] (Hekmatyar) activists on Saturday [18 May] night.

According to reports reaching Peshawar from Konarha, the clashes erupted when the Amaarat-i-Islami security guards pressed HEA (Hekmatyar) workers for vacating positions and houses of the HEA (Khalis) workers. The Amaarat security guards have surrounded the abodments of HEA and asked its leader Faqirullah for handing over the culprits to the government.

However, a spokesman of HEA (Hekmatyar) when contacted by *THE NATION*, confirmed the incident but described it a minor skirmish. He said that dwellers of a village of Konarha province scuffled with each other a few days back but the tussle was resolved by Mujahidin leaders of the area abruptly.

Mr Hayatullah, representative of the Amaarat-i-Islami in Peshawar described another story and confirmed tense situation in the area. He said that security guards of the Amaarat-i-Islami encircled the positions of HEA when the activists of the later resorted to insurgency in the

area. Now the Amaarat-i-Islami imposed curfew in the area and pressurising Faqirullah, leader of HEA for handing over the culprits to the government, he disclosed.

He revealed that recently the HEA activists have forcibly occupied abodments of the HEA (Khalis) in Salar Bagh and Shegal areas of Konarha province and later receiving a request from workers of Maulvi Khalis, the Amaarat-i-Islami security guards resolved the problem by vacating the abodments from the possession of Hekmatyar group's activists. In retaliation, the HEA (Hekmatyar) workers came on insurgence and started looting in the area, he added.

The Amaarat-i-Islami spokesman further said that on Saturday night, the HEA (Hekmatyar) activists opened fire with Kalshnikovs from the abodment of Faqirullah resulting in killing of three security guards at spot and injuries to other four. Later, the security guards their hideouts and warned Faqirullah for handing over the culprits to the government. [sentence as published] He claimed that the Amaarat-i-Islami was in control of the situation. However, the siege of HEA (Hekmatyar) would be continued till arrest of the culprits.

About the future of the culprits, the Amaarat-i-Islami representative said that such persons could be presented before an Islamic Court of the Afghan Mujahidin and if found guilty would be punished according to Islamic injunctions. He further said that Amaarat-i-Islami would not allow injustices with any one living in Konarha province and would promote the Islamic injunctions among the Afghan Mujahidin who have sacrificed their lives for setting up an Islamic government in Afghanistan.

It may be mentioned here that since withdrawal of Afghan troops from Konarha province in June 1988 last, frequent clashes among Mujahidin groups happened in the area. The clashes between HEA (Hekmatyar) and Amaarat-i-Islami led by Maulvi Jameelur Rehman started soon after General Elections in the area some one and half a year back. As a result of that polls, party of Jameelur Rehman known as Salfis (backed by the Saudi Crown) formed the government and HEA (Hekmatyar) headed by Faqirullah began creating difficulties for the government.

Asadabad, capital of Konarha province, recently achieved global popularity for reportedly a Scud missile attack, is stated to be a strong hold of the Salfis.

BANGLADESH

Three More Cases Filed Against Ershad

46001406A Dhaka *THE BANGLADESH OBSERVER*
in English 26 Apr 91 pp 1, 8

[Article: "Three More Cases Against Ershad Filed"]

[Text] The Department of Anti-Corruption has filed three more cases against ousted President H. M. Ershad for his involvement with various irregularities and misuse of power, an official handout said in Dhaka on Thursday night, reports BSS.

Two cases were lodged by the Anti-Corruption Bureau for illegally appointing Begum Dulali Mozammel as Assistant Director of the Women Directorate and Luthfunessa Shelly as Research Officer at Women Development Academy despite the facts that none of them had required qualifications for the respective posts. Another case has been filed against Mr. Ershad for paying Taka 9,48,000 [as published] from President's Fund to pay the price of a 4.56-Khata abandoned house to Sara Chakma, a lower division clerk of the Chittagong office of the Forest Industries Development corporation.

It was stated that although Sara Chakma expressed her willingness to pay the said amount against the prices of the house allotted to her but Mr. H. M. Ershad did not accept that offer but paid the entire amount from President's Fund by misusing his power.

INDIA

Problems of Indo-U.S. Trade Reported

India on 301-Watch

91AS1029A Calcutta *THE STATESMAN* in English
28 Apr 91 p 1

[Article by Warren Unna]

[Text] Washington, 27 April—The USA yesterday listed India, along with China and Thailand, for trade discrimination. It warned that it could impose sanctions against their products if matters were not resolved by the end of the year.

"All three of these countries have been on the (U.S.) administration's Special-301 priority watch list since the first annual review in 1989. In each case, the practices of these countries have been found to be egregious, resulting in an adverse impact on U.S. industry. No significant progress has been made, either bilaterally or multilaterally, to address these practices," according to a statement issued by Ambassador Carla Hills, the U.S. trade representative.

Grievances

Under the overall category of "intellectual property rights" (patents, copyrights and trade marks), the trade office stated its grievances against India:

"(It) has been identified as a priority foreign country because it provides an inadequate level of patent protection, including too short a term of protection and overly broad compulsory licensing provisions. As a result of the total lack of protection for certain classes of inventions,

particularly pharmaceuticals, many U.S. patented products are widely pirated. Copyright material, including books, videos, sound recordings and computer software, are also pirated. Finally, market access for motion pictures is severely restrained through quotas, fees and other barriers."

In reply, Mr. Prem Singh, Minister for Commerce and Supply at the Indian Embassy here, declared: "It is unfortunate that we have been designated while we are constructively negotiating these very issues in the Uruguay round (of the General Agreement on Tariffs and Trade—GATT).

Last year, Mrs. Hills dropped the Super-301 citation against India with this understanding. Since we are negotiating in a multilateral forum, it is not reasonable for the USA to negotiate in a bilateral forum."

India and the USA currently have a combined annual trade of about \$5.5 billion, with a \$600 million of this currently showing an advantage of India's exports to the USA. By contrast, China, last year, had a \$10.4 billion surplus in a combined U.S. trade of \$15.2 billion.

Double Jeopardy

China's trade relations with the USA currently are also in double jeopardy. The U.S. Trade Office said: "Piracy of all forms of intellectual property is wide-spread in China, accounting for significant losses to U.S. industries." And the U.S. Congress is threatening to curtail China's "most-favoured-nation" trading status because of civil liberty in fringements.

In yesterday's listings, Thailand was grouped with India and China for potential trade sanctions "because of failure to enforce copyrights and deficient patent protection, especially in the area of pharmaceuticals."

Even Norway, a U.S. NATO partner, was given special warning for retaliation on the accusation that it is discriminating against U.S. firms in its Government procurement practices. And immediate reprisal was announced against Japan for discriminating against not only the USA but also other foreign firms when they wanted to bid on public projects in Japan.

Yesterday's actions stem from the 1988 U.S. Trade Act in which the Congress, besieged by its constituents and frustrated with the USA's increasing foreign trade imbalances and failing competitiveness, legislated reprisal procedures. In its latest review mandated by congress, the U.S. Trade Office decided no less than 23 of America's trading partners maintained practices "of special concern." They therefore were listed either on the more heinous "priority watch list" (India and company) or a simple, more probationary "watch list."

For the priority watch list, investigations now will begin on the charges of trade malpractices. They must conclude within six months (with the loophole of a three-month extension). They then become subject to "what (U.S. response is appropriate, including possible retaliation."

Commerce Minister's Remarks

91AS1029B Calcutta *THE TELEGRAPH* in English
29 Apr 91 p 1

[Text] New Delhi, 28 April (UNI, PTI)—The commerce minister, Dr. Subramaniam Swamy, today cautioned against overreacting to the U.S. decision threatening sanctions against Indian imports and said, "We hope to solve our differences through negotiations."

Replying to questions at a press conference, the minister said the statement of the U.S. trade representative, Ms. Carla Hills, naming India under the Special-301 provisions of the U.S. Trade Act, was conciliatory and left doors open for negotiations.

Dr. Swamy suggested setting up a select committee, comprising two Houses of Parliament, to review the law of patents as the U.S. claimed that many of its patented products were pirated in India.

An external affairs ministry spokesman said it was unfortunate that discussion came at a time when the contentious issues such as intellectual property protections, copyrights and trade marks were under negotiation in the multilateral forum of the Uruguay Round (of the General Agreement on Tariffs and Trade).

Asked whether India would take up the matter bilaterally with the U.S., the spokesman said, "We have to wait and see what the U.S. does."

The spokesman said there were certain differences between some aspects of India's stand on intellectual property rights and the position taken up by the U.S.

"However, these should have been discussed in the Uruguay Round of negotiations where we are participating constructively to evolve a multilaterally acceptable framework," the spokesman said.

The U.S. has a month under the law for initiating process and limit the damage allegedly caused to its industries by "offensive parts" of Indian laws on property rights. Dr. Swamy said the Centre would strive to "completely remove" India from the hitlist.

Dr. Swamy claimed that India was taken off the U.S. Super-301 list, initiated earlier, because of efforts of the Chandra Shekhar government.

When pointed out that it had lapsed by itself, Dr. Swamy said the U.S. could have put India back on the list, which it did not because of the Indian government's efforts.

Patent Law Attacked

91AS1029C New Delhi *PATRIOT* in English 7 May 91
p 10

[Article by B.S. Padmanabhan]

[Text] The U.S. decision to involve the "Special-301" provisions of its Trade Act of 1988 against India and the indication of a fresh look at the Indian Patent Law given by Union Commerce Minister Subramaniam Swamy have provoked predictable reactions in both political and industry circles.

This is not the first time that India has been threatened with retaliatory action by the U.S. for pursuing policies considered to be in the national interest. In May 1989, India was bracketed with Brazil and Japan for action under the "Super-301" provisions of the Trade Act of 1988. Besides this, periodically Indian exports are subjected to severe barriers.

For instance, the application of anti-dumping and countervailing duties on items like industrial fasteners and semi-conductor chips had caused a great deal of inconvenience to Indian exporters of engineering goods. The U.S. had also been applying in an increasing measure voluntary export restraints in items like automobiles, micro-chips and colour TVs. The most glaring example of imposition of restrictions on India relates to textiles. Stringent requirements and standards for numerous food products, drugs and cosmetics as well as cumbersome procedural formalities act as non-tariff barriers for entry of Indian food items into the U.S. These non-tariff barriers have particularly affected the exports of chemicals, electricals, drugs and marine products from India.

The Indian position has all along been that most of the issues on which U.S. has sought to impose unilateral decisions are covered under the multilateral trade negotiations and as such the Uruguay Round is the best forum. Coming against this backdrop the U.S. decision to put India on the hit list under the "Special-301" has justifiably produced adverse reactions in India. The main objectives of the U.S. Trade Act of 1988 include: ensuring free access to foreign markets for American goods; expansion of U.S. imports; protection of U.S. economy against adverse influence of imports and inculcation of competitiveness among U.S. companies. Section 301 of the Act empowers U.S. retaliation against foreign violation of trade agreements, after certain prescribed periods. Under the "Special-301" provision, the U.S. Trade Representative has to identify foreign countries which deny adequate and effective intellectual property rights protection and fair and equitable market access to the U.S. India has been on the "watch list" for the last two years and the U.S. authorities have not found any progress towards adequate and effective IPR [Intellectual Property Rights] protection in India. Hence the threat of action.

The Indian Patent Law is one of the main targets of this threat. The U.S. has contended that the Indian Patents

Act allows only process patents and not product patents in respect of food, medicines, and agro-chemicals. Moreover, it is pointed out that the duration of protection provided for the Act is too short. As against 18-21 year duration in the advanced countries, the protection under the Indian Act is a period ranging from five to seven years for the drugs, agro-chemical food products and 14 years for the rest of the products. Yet another complaint is that it provides for compulsory licensing and licensing of rights which enables any prospective manufacturer to get a licence to make a patented product if the patentee does not work his patent within a certain period of time.

These provisions were deliberately incorporated in the law to protect and promote Indian technology. In fact, a battle royal was fought in the late 1960s by the two lobbies—representing respectively the multinational drug firms and domestic firms. The Indian Government stood firmly on the side of nascent domestic drug industry. The multi-national corporations made futile efforts to get the provisions diluted. From all accounts the Patent Law had helped the growth of indigenous industry and promotion of indigenous technology in the field of pharmaceuticals particularly.

Naturally, if any one were to suggest a review of the Patent Law with a view to diluting its provisions, and that too within minutes of the U.S. decision to act under the "Special-301" provisions of its Trade Act, there is bound to be adverse reaction.

Dr. Swamy reportedly called for a fresh look with a view to encourage innovations in the light of changes since its enactment in 1970 and noted that a committee of secretaries is looking into the changes required to be brought in the Act. The question naturally arises as to whether the present caretaker Government is competent to undertake such an exercise, which has far reaching implications for domestic industry. Dr. Swamy has since clarified his remarks. But this does not change his view in favour of review.

The need for a review of the Act was felt even in 1983 when Mr. N.D. Tiwari was the Union Minister for Industries. He had then ordered a review of the Act on a representation from the Federation of Indian Chambers of Commerce and Industry (FICCI) that the Act had failed to achieve the objectives of stimulating inventions and encouraging exploitation of new technologies for industrial growth. The FICCI had urged liberalisation of some of the provisions. Congress spokesman Pranab Mukherjee evidently was not aware of this move during the Congress regime, when he took the Janata Dal-S Government to task for undertaking a review of the Patent Law.

The review ordered by Mr. Tiwari did not go through its full course, due to subsequent political developments. Even then the move for review caused quite a consternation in scientific circles. The Council of Scientific and

Industrial Research (CSIR) had expressed itself strongly against any liberalisation on the lines suggested by the FICCI.

The FICCI had noted that patent applications in all fields had declined by 50 per cent in India in contrast to increase in other countries. The FICCI had attributed this to "some harsh provisions" in the Indian law which, in its view, discouraged foreign technology being patented in India and local technology being developed. It had suggested that the term of patent protection should be raised from five years to at least ten years in respect of foods, pharmaceuticals, veterinary products, pesticides, and agro-chemicals. This would encourage both local inventions and foreign technology patenting in India.

Another provision, which the FICCI had then wanted to be modified, relates to grant of compulsory licences. It had contended that the Indian law permitted those holding a compulsory licence under this provision to even import an article made by the patented process. This, according to the FICCI, had encouraged parties who had no intention of engaging in local manufacture to apply first for compulsory licence and subsequently seek authorisation to import a patented article. Even the provision which allowed a voluntary licensee to apply for compulsory licence can be sued to the detriment of the right of the patent-owner. Unless the interests of the patent owner are protected against possible misuse by a voluntary licensee there will be no encouragement to registration of patents, the FICCI had argued. Apprehensions were voiced over the provision that allowed the Controller of Patents to deprive the patent-owner of the right to use his own patented invention in certain circumstances.

The feeling among scientists, however, was that any liberalisation would only strengthen the stranglehold of foreign multinationals to the detriment of indigenous R&D efforts. It was noted by them that 80 percent of patents in force in 1980 were foreign owned with 20 multinational accounting for one-third of these. The CSIR scientists had disputed the FICCI contention that the existing provisions in the Patents Act had hit flow of technology. Technology transfer takes place through different routes unaffected by patent rights. These routes include equity participation, technical collaboration, import of drawings and designs, and capital goods. Technology import had for all practical purposes been on Open General Licence and CSIR representatives on various screening committees could do very little to reduce, let alone putting a stop to, technology imports. The CSIR scientists had also disputed the FICCI contention that the Patents Act had come in the way of development of local inventions. It was pointed that the national laboratories had successfully been transferring the technology developed by them for commercial manufacture without getting patents.

These arguments for and against diluting the provisions of the Patents Act will be valid even now. If FICCI leaders have come out against the U.S. decision to put

India in the "Special-301" hit list, it does not imply that they no longer want a review of the Patents Act. The irritants in the Act noted by the FICCI in the early 1980s have not vanished now. However, any review at the present juncture will give the impression that it is provoked by the U.S. decision to use the weapon of "Special-301" against India. None would like the Indian Government to even "appear" to be buckling under pressure of another country.

'Deceptive Charade'

91AS1029D Calcutta *THE STATESMAN* in English
7 May 91 p 6

[Editorial—"Indo-U.S. Trade"]

[Text] Washington's decision to place India on the "priority list" of countries violating the Special-301 provision of the Omnibus Trade and Competitiveness Act of 1988 is one more example of the brazenness with which the USA chooses to ignore the multilateral effort that is currently being made to salvage the Uruguay Round of GATT talks. True, there is no counterpart of the 1988 Trade Act under which the U.S. move based on the principle of bilateralism can be faulted, but to cite this to justify the action taken by the office of the U.S. Trade Representative is perhaps the best proof that multilateralism as a vehicle of growth has a bleak future. This is not to suggest that the American pharmaceutical industry or motion picture interests have not been seriously affected by the absence of appropriate patent protection laws in India and by New Delhi's foolish policy by keeping American films out of the country.

The surest proof that associated Indian interests have gained greatly over the years from these and other protectionist laws pertaining to intellectual property such as patents, copyrights and trademarks is to be found in their strident criticism of the Special-301 action under which an investigation is to be carried out. It may last from six to nine months, after which the U.S. Administration can impose trade sanctions, including 100 per cent punitive tariffs on selected Indian exports.

The point is that in allowing the process under the Trade Act to take its course after India was retained in the priority Special-301 "watch-list" earlier in the year, the U.S. Trade authorities have given notice that the logic of their action is determined solely by narrow, mechanical considerations without taking into account the much larger and complicated canvas of multilateral economic relationships.

Indeed, it is not a little curious that reports late last year clearly sated that the Americans had terminated investigations against India under both Super- and Special-301 "given the potential for results through the participation of the Indian Government in the Uruguay Round of multilateral trade negotiations," and that the status of India's trade practices would be reviewed after the conclusion of the talks. Even if this stand pertained to the trade performance of 1989, there is no reason why a

different attitude should have been adopted for 1990, especially when the same GATT talks are yet to be concluded. It is possible that the U.S. Trade Representative no longer believes that there is any scope for a successful conclusion of the Uruguay Round of negotiations, which is why it had decided to alter its stand on the application of the Trade Act to India. If this is indeed the case, Washington would do well to extricate itself from the current Geneva discussions and thereby put an end to the pointless and deceptive charade that is currently buoying up the trade hopes of the world.

Indian Diplomacy in Mideast Discussed

91AS1026A Madras *THE HINDU* in English
17 May 91 p 6

[Article by F.J. Khargamvala; boldface words as published]

[Text] Manama (Bahrain), 16 May—Without waiting for a new government to take charge, the Indian Foreign Office has begun moving in West Asia to pre-empt an anticipated Pakistani diplomatic offensive on Kashmir. This time the foreign office is not waiting for Islamabad to initiate a diplomatic broadside and then react.

Indian Ambassadors in West Asia have been warned to expect a Pakistani effort to garner support for its position of Kashmir in the weeks preceding the next meeting of the Foreign Ministers of the Organisation of Islamic conference (OIC) in Ankara, possibly in August. Islamabad is expected to try and use the OIC meeting as a platform to launch a broader offensive at the U.N. General Assembly session immediately thereafter.

The style and presentation of the Indian approach differs from the reactive diplomacy of last year when practically every Pakistani Minister on his way out from an Arab capital almost bumped into an incoming Indian special envoy. Every envoy of Delhi claimed great success for his mission. Eventually, at the annual OIC Ministerial meeting in Cairo, the resolution was completely one-sided in favour of Pakistan. This time the Indian attitude is to lower the official profile of its diplomacy and avoid a running confrontation with Islamabad Indian.

India peeved: India had refrained from making the point publicly to the anti-Iraq Arab coalition members that the strong OIC resolution against Delhi was adopted in Cairo four days after the invasion of Kuwait. Had Saudi Arabia and the Gulf been strongly desirous of Delhi condemning the invasion they could have been more judicious on the phrasing of the Kashmir resolution especially when they were aware that Iraq was the only country to publicly oppose the inclusion of Kashmir on the agenda. Though it is doubtful if this specific meeting shaped the initial Indian position on Iraq's invasion, officials agree that it did influence public opinion. In addition the duplicitous conduct of the OIC chairman, Kuwait, in disclaiming knowledge of frequent anti-Indian statements issued by the OIC Secretariat in Jeddah last year has irritated officials in New Delhi

which learnt that the Government of Kuwait had prior knowledge of and quietly endorsed some harsh statements while sheltering behind the plea that the chair was an ex-officio position. "We may or may not recall this recent history" said one Indian diplomat, "but this time we will say our piece, put on our hats and go about our business. We have begun military-level contacts with Pakistan and the temperature is lower than last year."

Most Indian officials spoken to mention a new maturity in India's ties with countries like Saudi Arabia and Iran. This, they feel, should offset the advantage Islamabad might enjoy because of the venue of the OIC meeting. Turkey's public position has not been very different from the PLO but conference diplomacy works on trade-offs and Ankara is expected to buy Islamabad's support for its (Ankara's) stand on Cyprus. Pakistan is the only country to publicly endorse Turkey's position on the Mediterranean island. Officials in Delhi speak highly of the Iranian Ambassador in trying to get India to understand that Iran's ties with India can weather statements made in Teheran owing to domestic compulsions.

Diplomats praised: Similarly, the quiet but frequent contacts between India and Saudi Arabia since the beginning of the year have yielded an understanding of each other's compulsions. Very senior Saudi officials have made private visits to India, Indian diplomats in Riyadh enjoy better access and the Saudis have also officially conveyed how happy they are that the civilian back-bone for the recent war was kept strong because Indians in the kingdom did not leave their jobs. They complement Indian diplomats for lowering anxiety levels among the expatriates.

Saudi Arabia is clearly the prime mover of the OIC. Its rivalry with Iran may last despite the thaw in the Iran-Saudi equation but Pakistan may find the turf less conducive to play one against the other to obtain support on Kashmir to buttress their claims to leadership of political Islam. It may have gone unnoticed that in the first week of April, in an interview to the Wam News Agency in the UAE [United Arab Emirates], the OIC Secretary General did not even refer to Kashmir among the priority areas before the OIC in the immediate future. This could be an omission but it would have been an unthinkable one last year. Similarly, in his Id-ul-Fitr message, the Secretary-General of the Muslim World League omitted Kashmir.

Pakistan is not exactly in the dock with the Saudis because its political leadership differed from the military on the Gulf war. Yet the foundation of the military-religious relationship so carefully nurtured by the late Gen. Zia has been rocked by the Pakistan Army's stand. A Foreign Minister fell and the great reluctance exhibited and demands made before agreeing to station forces in Saudi Arabia well away from the coalition deployment has had its adverse impact. Significantly the Saudi military commander, Lt. Gen. Khalid bin Sultan, has travelled to all coalition countries in the region and to Senegal in West Africa, pinning medals on counterparts.

So far he has not gone to Pakistan or at least the Saudi press has shunned the event. The new assertive Saudi regime is a punitive one so far as the Muslim and Arab countries are concerned.

Iraq is unlikely to move away from its principled pro-secular stance and it is still a factor in the Islamic arena. Its President, Mr. Saddam Husayn, was dismissive of the Pakistani leader, Ms. Bhutto, last year. He rejected Islamabad's position on the spot and sent her to visit the Shia shrine in Karbala, according to a senior Pakistan diplomat. Delhi has not burnt its bridges with Baghdad. It has used its membership of the Security Council to good effect with Iraq and Kuwait. Officials are hoping the importance of this status will spill over into other councils.

Uphill task: It will still be an uphill task to keep Kashmir out of the OIC. Not much has changed on the ground. Kashmir is seen through the Hindu-Muslim prism. The Saudi regime is under Islamic pressure at home. If the Ayodhya controversy worsens it would have its impact on Kashmir in the OIC. The best that India could hope for is that recommendations such as those made in Cairo and dropped and left to the bilateral Indo-Pak agenda.

Politicians React to Gandhi Assassination

BJP's Leaders

91AS1033A *Madras THE HINDU in English*
24 May 91 p 11

[Boldface words as published]

[Text] New Delhi, 22 May—The BJP [Bharatiya Janata Party] president, Dr. Murli Manohar Joshi, accompanied by old party leaders, Mr. L.K. Advani, Mr. A.B. Vajpayee and the new entrant to the party, Mr. Victor Bannerjee, today went to Teen Murti House where the body of Rajiv Gandhi is lying in state and paid floral tributes to the departed leader. As Mr. Rahul Gandhi was the only family member of Rajiv Gandhi present, they conveyed their sympathies to him and have sought time to meet Mrs. Sonia Gandhi and Ms. Priyanka and personally convey their condolences.

The party vice-president, Mr. K.R. Malkani, during a press briefing today, expressed concern over the violent incidents in certain parts of the country in the wake of Rajiv Gandhi's killing. He said that the violence was more pronounced in the Congress(I)-ruled States of Andhra Pradesh, Karnataka and Maharashtra while it was near normal elsewhere in the country.

He said that these incidents have once again highlighted the problem of manufacture and free sale of illicit arms and ammunition in several parts of the country and added that the BJP would see to it that this comes to an end.

Bankruptcy of leadership: On the choice of Mrs. Sonia Gandhi as president of the Congress(I), he said it was

obviously a matter to be decided by the Congress(I), but it certainly betrays a certain bankruptcy of thought and leadership. He said it was unfortunate that the Congress(I) spokesman, Mr. Pranab Mukherjee, had chosen to bracket Mrs. Sonia Gandhi with Dr. Annie Beasant—a great leader, humanist and thinker. “To talk of Dr. Annie Beasant and then of Mrs. Sonia Gandhi is like sliding from the sublime to the ridiculous,” he added.

He requested the media persons to hold back their questions about the impact of Gandhi's assassination on the election that are to be held on 12 and 15 June, for a few more days. He described as “misplaced,” the expectation being expressed by some that this would cause a sympathy wave in favour of the Congress(I).

Mr. Malkani said that his party was satisfied with the arrangements for the safe keeping of the ballot boxes in the Union Territory of Delhi where the Central forces were guarding them and wanted similar arrangements to be made in Uttar Pradesh and Bihar.

He said that if any further change in the poll dates was contemplated it should be done in consultation with the political parties. The BJP, he said, was going to write a formal letter to the Chief Election Commission to advance or postpone the 12 June poll by a day in view of the fact that 12 June is “Amawasya” when a large number of rural women would be keeping a fast and would be performing certain religious rituals and would not be able to exercise their franchise.

National Front, Left

91AS1033B *Madras THE HINDU in English*
24 May 91 p 11

[Text] New Delhi, 23 May—The National Front and Left parties today demanded the resignation of the Prime Minister, Mr. Chandra Shekhar, for the security lapses leading to the assassination of the Congress(I) president, Rajiv Gandhi, at Sriperumbudur near Madras on Tuesday night.

A resolution adopted at a meeting held by the parties to consider the situation arising out of the killing of the Congress(I) chief, said that since Tamil Nadu was under Central rule and Mr. Chandra Shekhar headed the Home Ministry, he should accept “moral and constructive responsibility” for the tragic security failure and quit office with immediate effect and uphold high democratic traditions.

The Janata Dal spokesman, Mr. S. Jaipal Reddy, who briefed the press on the meeting said the President, Mr. R. Venkataraman, could appoint “someone else” as the Prime Minister if Mr. Chandra Shekhar were to step down.

The meeting was attended by Mr. N.T. Rama Rao, Mr. V.P. Singh, Mr. S.R. Bommai, Mr. Ajit Singh, Mr. P. Uppendra, Mr. Chandrababu Naidu, Mufti Mohamed Sayeed, Mr. Sharad Yadav, Mr. I.K. Gujral, Mr. Lallu Prasad Yadav, Mr. Surendra Mohan, Mr. Jaipal Reddy,

Mr. Harkishan Singh Surjeet, Mr. M. Farooqi, Mr. Prakash Karat, Mr. Chaturanan Mishra, Mr. Chitta Basu and Mr. Abhani Roy.

The resolution decried the attack on National Front-Left parties by a section of the Congress(I) workers in the wake of the assassination of Rajiv Gandhi and dubbed it as a “desperate bid to generate prejudice against other political parties particularly the National Front and Left parties.”

It cited the examples of attempts to set on fire the New Delhi house of the Janata Dal leader, Mr. Ram Vilas Paswan, attacks on the properties of the National Front Chairman, Mr. N.T. Rama Rao, in Hyderabad, violent attacks on offices, leaders and cadres of the DMK [Dravida Munnetra Kazhgam] in Tamil Nadu and of the CPI(M) [Communist Party of India-Marxist] in Tripura in support of its contention.

“These attacks were stage-managed and orchestrated by Congress(I) men with a view to settling political scores and discrediting the National Front and Left parties,” the resolution said. It, however, recorded that the tragic killing of Rajiv Gandhi had hit every section of the people and every shade of opinion like a bolt from the blue.

In a separate resolution on the assassination of Rajiv Gandhi, the meeting expressed profound shock and grief and said it is a tragic blow to India's democratic polity, more particularly, at a time when the nation was convulsed by the cult of violence.

The resolution said leaders of all political parties and eminent citizens should put their heads together and evolve a national approach to meet the challenge posed by political violence to preserve democracy and national unity.

RSS, Other Parties

91AS1033C *Madras THE HINDU in English*
24 May 91 p 6

[Boldface words as published]

[Text] New Delhi, 23 May—In a condolence letter to Mrs. Sonia Gandhi, the Rashtriya Swayamsevak Sangh (RSS) joint general secretary, Mr. Rajendra Singh, said that “We are totally aghast at the dastardly act of criminals who have taken away from our midst Rajiv Gandhi.” Condemning the brutal and barbaric assassination of the former Prime Minister, he said, “Your loss is irreparable and so is ours. The national has lost a political leader of repute. We all will miss him for a long time to come.”

Deep-rooted conspiracy: The Samajwadi Janata Party general secretary and Petroleum Minister, Mr. S.P. Malaviya, said that a deep-rooted conspiracy had robbed humanity of Rajiv Gandhi—one of the brightest, bravest and dedicated sons of the soil. A perfect human being from top to bottom, Rajiv was a gentleman to the core.

The nation was expecting a lot of useful services from him in the days to come but unfortunately destiny willed otherwise.

Mr. Malaviya said that a grateful nation could never forget the manifold services rendered to the people by Rajiv Gandhi. The best tribute to the great departed leader would be to struggle against the communal, separatist and divisive forces and to help maintaining the secular character of the nation.

"The cult of violence has no place in our democracy and in this hour of greatest tragedy, I would appeal to the countrymen to keep complete peace and harmony," he said.

Messages condoling the assassination were received from the Federation of Indian Chambers of Commerce and Industry, the Centre of Indian Trade Unions and the Rajya Sabha MP [member of Parliament], Dr. Ratnakar Pandey.

Promising leader lost, says Bommai: The Janata Dal president, Mr. S.R. Bommai, said he was shocked and grieved beyond words to learn about the brutal assassination of Rajiv Gandhi. He described the assassination as a mind boggling blow to the nation and the democratic system and said all right thinking parties and persons should put their heads together to surmount this challenge.

Mr. Bommai said that in the death of Mr. Gandhi, the country had lost a forward looking and promising leader and the whole country completely shared the sense of bereavement of Mrs. Sonia Gandhi, Priyanka and Rahul.

Jaipal Reddy wants 3-judge probe: The Janata Dal spokesman, Mr. Jaipal Reddy, demanded an impartial, expeditious and exhaustive investigation into the incident and to remove all possible doubts a panel of three sitting Supreme Court Judges should go into the episodes and submit its findings in a fixed timeframe.

He said the Tamil Nadu was under Central rule and therefore the moral responsibility of the security failure devolved directly on the Prime Minister, Mr. Chandra Shekhar, who held the Home portfolio.

Kanchi Acharya's condolence: In Kancheepuram, the Sankaracharya of the Kanchi Kamakoti Peetam, Sri Jayendra Saraswathi, said that it was hard to believe Rajiv Gandhi's death. He was born in a great nationalist family and undertook with courage the responsibility to guide the country. "Let us pray to God to bless his family with peace of mind and the country prosperity," the Acharya said.

Sri Chandrasekharendra Saraswathi, Paramacharya, expressed his regret over Rajiv's death.

Bhajan Lal sees 'foreign hand': The former Union Agriculture Minister and Congress(I) leader, Mr. Bhajan Lal,

said he felt that there was a conspiracy behind the assassination and did not rule out the involvement of a "foreign hand."

Communist Parties, Others

91AS1033D Madras THE HINDU in English
24 May 91 p 11

[Boldface words as published]

[Text] New Delhi, 23 May—A question that the political circles are grappling with in the aftermath of Rajiv Gandhi's assassination is the likely shape of the Congress(I), which for much of the past four decades has come to live under the shadow of the Nehru family. In a dramatically changed situation, would it now become a more democratic organisation or simply disintegrate in the absence of a sufficiently strong or charismatic leader to hold it together?

Given the tragic circumstances of Rajiv Gandhi's death, few are willing to speak openly for fear of being misunderstood. But there are enough hints that the Congress(I) now has a chance to take another look itself. It is pointed out that for a party which had not held organisational elections for the past 20 years and been reduced to a highly personalised set-up, this is an occasion to try and move in a more democratic direction.

Senior members of the CPI's [Communist Party of India] central secretariat informally discussed the subject here on Wednesday morning, and a dominant view was that the Congress(I) should not miss this moment to rebuild itself even if it proves to be a painful task. "The Congress(I) would be helping not only itself, but also the national polity by democratising itself because a more democratic Congress(I) would have a healthier impact on the wider political processes," a senior CPI leader said.

He refused to be drawn into a controversy whether a more democratic Congress(I) would have greater acceptability in Left circles, but pointed out that if inner-party democracy in the Congress(I) brought with itself a greater degree of "responsibility" it would be welcomed by all parties. Interacting with a democratic, responsible organisation would certainly be easier.

For democratisation: A section in the Congress(I) also is of the view that the party should seize this occasion to begin the process of democratisation. A beginning, according to this view, could be made with the election of a party leader. The practice of forcing a consensus ought to give way to a more representative system of choosing a system, it was pointed out.

Political opinion, cutting across party lines, is that a party as large and mass-based as the Congress(I) with its traditions should not allow itself to drift any longer. Even those whom a divided and direction-less Congress(I) should help politically suggest that the party ought to make the best of a most tragic event and find a

sense of direction for itself. "One long chapter in its history is closed, and this is the time to turn a new leaf," an observer said.

The view that the Congress(I) might collapse under the weight of intra-party conflicts and inner contradictions is not shared by most observers. They argue that if nothing else then the average Congressman's sheer instinct for survival would ensure that the party did not fall apart. The Congressmen, it is pointed out, have a keener survival instinct than others and even while fighting among themselves they would not cut the roots which nurtured them.

Sympathy wave likely: That Mr. Gandhi's assassination is likely to generate a sympathy wave in favour of the Congress(I) and help it in the elections is the prevailing wisdom here. Leaders of some parties are, however, not willing to state it publicly and say that the sympathy for Rajiv Gandhi's family notwithstanding the election trend, would take its own course.

The CPI and the CPI(M) [Communist Party of India-Marxist] have condemned the assassination in very strong terms, and said this had plunged the country into a critical situation. The existing uncertainties had deepened, sharpening the threat posed by forces of destabilisation. "This heinous act has been committed by the enemies of the country who want to destabilise India," a statement issued by the CPI(M) Politburo said. The CPI said that "resort to terror and violence is a serious threat to our nascent parliamentary democracy."

Both parties urged the people to exercise restraint and maintain peace. This, the CPI said, would be the most befitting tribute to the memory of Rajiv Gandhi. The CPI(M) condemned the attack by "hooligans" on the Madurai offices of the Tamil daily THEEKATHIR.

Reserve Bank Head on State of the Economy

Liquidity Crisis

91AS1028A Calcutta *THE TELEGRAPH* in English
8 May 91 p 8

[Text] Calcutta, 7 May—The Reserve Bank of India (RBI) governor, Mr. S. Venkitaramanan, today pegged India's current account deficit at \$8 billion (Rs. [rupees]16,200 crores approx.). He said that at the close of the last financial year, the current account deficit had swelled to 3 percent of the gross domestic product from 1.5 percent a few years ago.

Speaking at the ECONOMIC TIMES Harvard Business School Association of India award presentation in the city, Mr. Venkitaramanan said that the normal channels of borrowing, the multi-lateral institutions, like the World Bank and the Asian Development Bank (ADB) were still open to India. Technical discussions with the International Monetary Fund (IMF) were also still on and finalisation of another tranche of loan from the IMF was still possible.

He said that the liquidity crisis had only arisen last year when India's credit-rating began to suffer. The impulsive announcement by politicians that our coffers were empty had suddenly drawn international attention to our economy, he said in an oblique reference to the catchwords of the Vishwanath Pratap Singh government.

The international community then began to look into our balance sheets, the Reserve Bank governor said. The lack of confidence in India's credit-worthiness in the international market was, however, not fearsome. He said, "I have been going around and our credit-worthiness is still strong.

Mr. Venkitaramanan said that the foreign exchange crisis had not developed overnight. In 1980-81 India's current account deficit had only been \$2 billion. A persistent mismatch between investment and yields had resulted in the current crisis, he said. The investments on modernisation had not boosted exports.

Meanwhile, the international market, which had been overflowing with funds had also become "fatigued." As recently as in 1983-84, soft loans from the World Bank had been readily available. Since then China had come under the same mantle as India and the borrowing terms for India had begun to harden.

He said borrowing from the multilateral institutions had been necessary to meet our defence expenditure and upgrade industry.

The RBI governor said that IMF assistance was not enough and it was necessary for us to boost exports and curb imports.

Picking up the threads from the Bennett, Coleman and Company chairman, Mr. Ashok Jain's speech, in which he had described the Indian economy as the most controlled outside the communist bloc, Mr. Venkitaramanan said that regulations could not be waived aside altogether. Describing the bureaucracy as the strength of the Indian system, he said that healthy cooperation and interaction between the government and the private sector would be able to end the current crisis. He also advocated a conscious industrial policy.

Mr. Venkitaramanan said that the fundamentals of our economy were still strong. Foodstocks were at 29 million tonnes and the reserves would be able to withstand a bad monsoon. "I hope the current problems are only a blip on our screen, he quipped.

The ECONOMIC TIMES editor, Mr. T.N. Ninan, read out the citations for the ECONOMIC TIMES-Harvard Business School Association of India awards for corporate performance in 1990. Cochin Refineries won the award for the best track record among the 239 public sector giants, screened by the panel of judges. Indal was selected as the best performing private sector giant. The award for the private sector mini-giant went to Gujarat Ambuja Cements Limited.

Economic Growth Predictions

91AS1028B Calcutta THE TELEGRAPH in English
22 Apr 91 p 8

[Article by Arup Ratan Lala]

[Text] Calcutta, 21 April—The real growth rate of the Indian economy would not be more than 4 percent in 1991-92, according to a Reserve Bank of India [RBI] projection, Mr. S. Venkitaramanan, the governor said.

At a meeting with the chairman of all commercial banks on 12 April 1991, in Bombay, the RBI governor also predicted a slowdown in the pace of industrial growth due to difficult balance of payments position and the concomitant slowdown in the availability of imported inputs for industry.

According to the RBI, the 1991 rabi wheat crop would be around 54 million tonnes, around the same level as the 1990 rabi season. Procurement of wheat in 1991-92 is expected to be higher than 11.1 million tonnes procured in the previous rabi season. On this basis, it is expected that food credit requirements would increase by about Rs.[rupees]1,900 crores in the quarter ending June, 1991, and decline by about Rs. 800 crores in the quarter ending September, 1991. There would be a net increase of Rs. 1,100 crores in food credit during the first half of 1991-92.

Mr. Venkitaramanan observed that in 1990-91, food credit rose very sharply by Rs. 2,500 crores against an increase of Rs. 1,237 crores in the previous year. The non-food credit (net) showed a substantially lower increase of Rs. 12,232 crores (12.3 percent) in 1990-91, against an expansion of Rs. 15,496 crores (18.5 percent) in 1989-90.

He also stated that the increase in non-food credit during the first half of 1991-92 is expected to be around Rs. 3,500 crores while the increase in the first quarter (April-June 1991) is placed at around Rs. 1,700 crores. The RBI chief pointed out that banks should ensure that the moderate credit expansion in the first half of the year so that they are able to fully meet the legitimate credit requirements during the second half in 1991-92 without facing liquidity problems.

At the meeting, the Reserve Bank advised all commercial banks to plan their credit budgets on the basis of a working estimate of the increase in aggregate deposits by Rs. 29,500 crores (15.4 percent) in 1991-92. The RBI said based on the seasonal pattern, the increase in aggregate deposits during the first half of 1991-92 would be around Rs. 14,500 crores, including Rs. 7,200 crores in the first quarter (April-June, 1991).

The RBI chief noted that the growth in aggregate deposits of scheduled commercial banks in 1990-91 was 14.5 percent (Rs. 24,300 crores) against the estimate of 16.5 percent (Rs. 27,500 crores). In 1989-90, the increase in aggregate deposits was 19.1 percent (rs. 26,800 crores).

Meanwhile, the RBI has relaxed the guidelines of the operation of the scheme of commercial paper (CP) to enable wider participation and also to ensure a greater degree of flexibility of operation.

In this regard, the RBI governor has announced certain changes in the scheme. The changes are: the working capital (fund-based) limit of a company should not be less than Rs. 10 crores instead of Rs. 15 crores at present; the ceiling on the aggregate amount to be raised by issue of CP would be raised from 20 percent to 30 percent of the company's working capital (fund-based) limit; the denomination of CP could be in multiples of Rs. 5 lakhs (Rs. 10 lakhs at present), subject to the minimum size of an issue to a single investor being Rs. 25 lakhs (face value) instead of Rs. 50 lakhs (face value) at present; the present requirement for banks to obtain prior approval from the Reserve Bank of India will be dispensed with. The parties will, however, be required to meet procedural requirements through their banks and the banks would, in turn, be required to submit fortnightly returns to the Reserve Bank on a post-sanction basis.

The changes would become operative soon after the amended guidelines on CP are issued by the Reserve Bank of India separately.

Hearing on Bhopal Human Rights Reported

91AS1030A Calcutta THE TELEGRAPH in English
4 May 91 p 6

[Article by Seema Sirohi]

[Text] Washington, 3 May—The Permanent People's Tribunal on industrial hazards, which heard testimony from Bhopal victims among others, found "clear evidence" of gross violations of fundamental human rights by corporations and government agencies.

A hearing was held at Yale Law School in New Haven, Connecticut, last week. Victims of the Union Carbide gas leak, Vietnam veterans exposed to Agent Orange and people suffering asbestos poisoning testified in front of Dr. Kamal Hossain, the presiding judge at the tribunal. Dr. Hossain is a former law and foreign minister of Bangladesh.

Prof. Upendra Baxi, vice-chancellor of Delhi University, served the tribunal as amicus curiae or friend of the court. The permanent people's tribunal grew out of the Bertrand Russell Tribunals on Vietnam and Chile and is based in Rome.

The latest hearing accepted a 12-point charter of victim rights based on existing international human rights law and urged that minimum standards for hazardous technology be strictly enforced. The charter is not legally binding.

Mr. Satyanath Sarangi, who runs the Bhopal Group for Information and Action, testified on behalf of the Union Carbide victims along with Mr. T.R. Chauhan, a former

employee of the Carbide plant. "Union Carbide's response after the disaster has followed two inter-related tactics—delay and denial. The company sought to delay both the provision of relief and justice to the victims while postponing any legal judgment against it," Mr. Sarangi said in his testimony.

If the February 1989 settlement between the former Rajiv Gandhi government and Carbide is implemented, the corporation will have escaped any finding of liability, he added. Mr. Gandhi already has made it clear that if he comes to power, he will not support the many petitions waiting in the Supreme Court against the settlement.

The two also described to the panel the continued suffering of the Bhopal victims and the rising levels of serious illness. They said an average of 50 people were dying every month from gas-related complications. Four other victims, mainly women, were unable to attend the Yale hearing after they were denied visas by the U.S. embassy in India. The visas were denied on grounds that they had "no compelling reasons to return to India," according to Mr. David Dembo, a New York-based activist who runs a documentation centre on Bhopal. He said no representative from any of the corporations attended the hearing despite notices being sent to them.

Dr. Hossain characterised the testimonies as "profoundly moving," especially one by a victim in a wheelchair who was suffering from mercury poisoning in Japan. A senator from the Marshall Islands described how his people were dazzled by the sight of the nuclear bomb explosion which they thought was a "blazing sun rising in the west," showering them with radioactive "snowflakes."

New York Group Scores Indian Actions in Kashmir

91AS1031A Calcutta THE TELEGRAPH in English
7 May 91 p 3

[Article by Seema Sirohi]

[Text] Washington, 6 May—Indian security forces in Kashmir have come under a scathing attack by a prominent U.S. human rights group for using lethal force against protesters, shooting unarmed demonstrators, conducting summary executions and attacking civilians.

Asia Watch, a New York-based group that has become increasingly critical of the Indian government, said in a 110-page report that its own investigators "directly gathered" information on some 200 of the extrajudicial killings by government forces since the beginning of 19190. Independent testimony was reportedly obtained from several eyewitnesses whose accounts corroborated each other.

An Indian official, commenting on the report, said it is "biased and prepared on the basis of a short visit by two persons who neither knew any local language nor were

they familiar with the region." The accounts are based on the interpretation of the local press.

There are several factual inaccuracies in the Asia Watch report, especially regarding actions taken against security forces found to be guilty of excesses, the official said. The chapter on the historical background of the Kashmir problem is one-sided and distorted. "The reasons why the plebiscite was not held are far more complex. There were a number of preconditions laid down in the UN resolution that were never met by Pakistan," the official added.

The report entitled "Kashmir under siege" is by far the strongest indictment of the Indian government for violations of human rights. The timing of the release also is significant since there are two Bills in the House and Senate that accuse the Indian government of gross violations and demand that the U.S. aid be cut unless international human rights monitors are allowed free access to the disturbed states.

The Asia Watch report was written after two of its researchers visited India last year and collected information by visiting Kashmir and talking to Indian lawyers, journalists and civil liberties groups. Much of the information is based on reports from Indian newspapers.

The allegations are contained in the chapter called "Violations by government forces," which lists specific incidents in Noorbagh, Pattan, Phazipora, Handwara and other places. The report also refers to the incident involving THE TELEGRAPH correspondent Yusuf Jameel, who was detained by security forces. The report also blames militant organisations for summary executions, targeted assassinations and the use of bombs and grenades.

The Asia Watch report condemns violence by militants against civilians but says that terrorists killing security forces is not a violation of the laws of war if the killings occur in combat or ambush.

Among the civilian killings by militants mentioned in the report are the Kashmir university vice-chancellor, Mushir-ul Haq, and his personal secretary, Abdul Ghani Zargar, who were killed in April last year. While relating the story of the kidnapping and murders of the two Asia Watch goes to considerable lengths to explain that the Jammu and Kashmir Liberation Front (JKLF) had meant to kill only H.L. Khera, general manager of Hindustan Machine Tools. The JKLF blamed the Hezb-ul Mujahidin for the killing of "two innocent Muslims.

While the complicity of Pakistani agents of the Inter Service Intelligence in the killing is admitted by the JKLF in its statement, Asia Watch fails to condemn the militant organisations strongly.

Communist Leader Dange Dies in Bombay

91AS1032A Madras *THE HINDU* in English
23 May 91 p 9

[Boldface words as published]

[Text] Bombay, 22 May—The veteran communist leader, Mr. Shripad Amrit Dange, died here today after a prolonged illness. He was 91.

His daughter, Mrs. Roza Deshpande, was at his bedside when the end came.

Mr. Dange had been admitted to the P.D. Hinduja Hospital on 25 November last. He came for a day in February but had to be readmitted on deterioration of his condition.

The funeral will be held here tomorrow.

Mr. Dange developed difficulty in breathing yesterday. He suffered frequent cardio-respiratory failure and all efforts to revive his failing heart were abortive.

Mr. Dange, internationally recognised communist leader, dominated the political scene and the working class movement for more than six decades.

President's condolence: The President, Mr. R. Venkataraman, has expressed grief over the death of Mr. Dange. He described Mr. Dange as an "intrepid freedom-fighter and champion of social justice."

The Vice-President, Dr. Shankar Dayal Sharma expressed his shock and grief at the passing away of Mr. Dange. The country had lost an invaluable link with our glorious struggle for freedom, he said.

The Kerala Chief Minister, Mr. E.K. Nayanar, condoled the death of Mr. Dange. Mr. Nayanar recalled the services of the deceased leader to the Communist Party and trade union movement.

IRAN**Majlis Deputy Rejects Intimidation**

LD2105131391 Tehran Voice of the Islamic Republic of Iran Second Program Network in Persian 0350 GMT
21 May 91

[Speech by Tabriz deputy Musavi-Tabrizi at Majlis session in Tehran—live]

[Excerpts] In the Name of God, the Compassionate, the Merciful. Peace be upon the Imam of the Ummah, Khomeyni. [passage omitted: further praising Khomeyni]

During the time of the imam of the Ummah a selfish group deemed it expedient to weaken His Holiness and his remarks. They would distort His Holiness' instructions so as to reduce their effectiveness. And today they have resorted to other means so as to weaken the true

sons of the imam. That is, through calumny and slander and by undermining such great foundations of the revolution as the Majlis. They are adopting certain tactics against the militant individuals and the most committed friends of the imam so as to weaken the imam's line in society today.

Those who, for the sake of achieving their sinister objectives, accuse a large group in the Majlis, or people in the revolutionary organs, in seminaries, and universities of being against the rule of supreme jurisconsult, they should realize that they are definitely achieving nothing except inflicting blows on the rule of supreme jurisconsult and the state. We consider those who weaken the imam's true friends and this great Majlis as the enemies of the rule of supreme jurisconsult. No doubt they are pursuing the same objectives as the United States.

Everyone knows that today the great nation of Iran, and ahead of them the Majlis, have pledged allegiance to the leadership; and everyone knows that the lofty objectives of the revolution are above the objectives of the leadership of the people. Everyone knows that one of the primary objectives of the Iranian nation in the revolution has been freedom of speech; and today a group, who at the time of the imam never denied itself any freedom to shout abuse and obscenities, believes it is illegal for Majlis deputies to speak and defend their own rights. They threaten such deputies so that they will not be reelected in the future and will be eliminated, and so on.

Those who threaten should realize that the followers of the revolution's path would have not set foot along this path had they been afraid of threats and intimidations. They have been imprisoned and have seen deportation. They have survived torture under tyranny of the most brutal hangmen of the Shah. Had they entertained the slightest fear concerning intimidation by street mobs and bazaar clergymen, they would have never set foot along this path.

Our main objective is to build men within the principles of genuine Muhammadan Islam, may God's peace and salutations be upon him and his companions; and along this path we shall move in accordance with the instructions of the imam of the Ummah and the leadership of the revolution. We respect freedom within the framework of the principles of the system. Some of the press which has started publishing recently give us hope for preservation of the revolution and the future. We call upon them to safeguard their Islamic morality. They should avoid calumny and accusations, as pursued by some of the press which are affiliated to the capitalists and traitors. They should be able to promote the nation's thoughts, but should avoid anything which is contrary to the religion.

One of the greatest gifts from God to mankind is freedom of speech, and no one can ever deprive the people of this freedom! When the damned Shah told the people that he had given them freedom, the imam of the

Ummah replied: It is not up to you to give freedom to the people; mankind is free by nature. I hope we all pay attention to this fact. [passage omitted; asking Yazdi to speed up work of judiciary]

Majlis Approves Sweeping Antismoking Measure

91AS1014A Tehran KAYHAN INTERNATIONAL
in English 9 May 91 p 1

[Text] Tehran, 8 May (IRNA)—Iran's Majlis Tuesday gave tentative approval to a motion on gradual ban on the import and cultivation of tobacco and production of cigarettes in Iran.

The motion upon the approval of the Majlis and endorsement of the Guardian's Council will be put into force with the aim of protecting public against hazards caused by smoking and also cutting down on the medical expenses.

Majlis deputies present at the session unanimously approved the proposed motion in the first reading.

Smoking will be prohibited in public places, government buildings, buses and factories four months after the motion is approved in the second reading.

It also prohibits the state organizations, institutes, companies and other institutions financed by the government from employing smokers.

The Agriculture Ministry will be required to locate tobacco plantations and encourage farmers to switch to other crops in a ten year period starting March 1992.

It authorizes the government to raise the price of domestically produced and imported cigarettes annually.

The motion was earlier rejected by Majlis' committees on guidance and Islamic arts, industries and mines, commerce and distribution, housing and urban development, and roads and transportation.

Mohtashami Meets With Palestinian Leader

LD2105121191 Tehran IRNA in English 0539 GMT
21 May 91

[Text] Tehran, May 21, IRNA—The head of the Iranian parliamentary delegation Hojjat ol-Eslam 'Ali Akbar Mohtashami, currently in Libya on a visit, met and talked with Palestinian leader Dr. Fathi al-Shaqaqi in Tripoli on Monday.

Mohtashami, who is the head of the Majles Defence Committee, stressed the need for backing the Palestinian Islamic uprising, intifadah, in the face of massive threats from the United States and Israel. He said the Islamic Republic fully supports the Palestinian Muslim militants.

Al-Shaqaqi pointed out that under the present crucial circumstances it is a must for the Islamic community to

further close their ranks and support the Palestinian combatants inside the occupied territories.

The Iranian delegation arrived in Tripoli last Saturday from Algiers.

Regional Planning Council Meets

LD2704124491 Tehran Voice of the Islamic Republic of Iran First Program Network in Persian 1030 GMT
27 Apr 91

[Text] The first session of the regional planning council of the Economic Cooperation Organization [ECO], opened today in Tehran attended by economic experts and officials of Iran, Turkey, and Pakistan. During this inaugural session, and according to our correspondent, Mr. Roqani-Zanjani, vice president and head of the Plan and Budget Organization, expressed pleasure over that conference and stressed the need for strengthening and organizing the relations between the three member states of ECO.

That report indicates that during this two-day session there will be discussed the implementation of railway projects between the countries, the transfer of electricity, and the transfer of natural gas.

SALAM: Policy of Good Will Not Reciprocated

NC2604173891 Tehran SALAM in Persian
15 Apr 91 p 16

[Unattributed commentary]

[Excerpt] Iran's foreign policy has allowed it to put behind an era of eliminating tension. During this period ties with Europe advanced and the main obstacles to relations, especially with important countries, were removed. High-level exchanges were established with Germany and France. With the resolution of the Cooper-Kowkabi affair, which may be deemed an appropriate measure for the support of a revolutionary Muslim citizen of our country, matters with Britain are in a progressive phase.

Progress has been made with our neighbors in the Persian Gulf, with Oman acting as intermediary. Resolving the issue of Saudi-Iranian ties and the presence of Iranian pilgrims at this year's hajj can be considered the most momentous outcome.

The same is true of relations with countries such as Mauritania and Jordan, with whom we have put behind a prolonged period of differences and tension and have entered a new era. Apart from considerations and the points in favor and against, with the renewal of most of these ties, the implementors of this policy of defusing tension expected that in the wake of these collective moves and displays of goodwill—which were sometimes unilaterally greater on the part of the Islamic Republic of Iran—a reciprocal show of goodwill and a just attitude coupled with some respect and compassion would emerge.

However, a cursory glance reveals that the response of those whose animosity toward the revolution we have seen—an animosity which was most unjust and the roots of which can be considered to be in the performance of the Islamic Republic of Iran—was not the answer we anticipated. [sentence as published]

Informed observers know well that assessing the true stances of countries is possible at sensitive and critical junctures, and the depth of the official and formal stances cannot be gauged in normal circumstances.

In the course of the oil war in the Persian Gulf, the Islamic Republic of Iran affirmed its adherence to its policy of eliminating tension, even though its stance was adopted in view of its national interests and security. However, the powers fighting with Iraq know fully well that if we had wanted to we could have made conditions more difficult for them than they already were, and we had a lot of leeway to do it.

However, today, in circumstances when the form of important issues and the priorities in the region have changed, the attitude of these powers and even of their worthless neophytes is that of someone who has amnesia. The littoral countries in the southern Persian Gulf speak in a most inflammatory fashion of the continued deployment of foreign forces in the region, without any attention to the warnings and sensitivities of the Islamic Republic of Iran. Regarding the oil—the inexhaustible resource of the oppressed people of the region—they have adopted policies they had not dared to before, or prior to the present era.

Our president's revealing remarks in his Friday sermons indicate the conduct of these countries concerning the uprising by the people of Iraq. His remarks similarly highlight the incident of the Iraqi refugees as the latest example and most repulsive scenario of hostility against Islam and the people of the region. In truth, was not the response to the goodwill and the hand extended by the Islamic Republic of Iran for peace and friendship, astonishing and far from what we expected? In our opinion, our expectations that enemies should not show enmity was inappropriate. [passage omitted]

As we learned from our imam, an enemy remains an enemy as long as we adhere to and stand firm on our principles, and as long as we do not accept his supremacy. Any other expectation is futile.

Industrial, Agricultural Cooperation With Denmark Viewed

*91AS1012A Tehran KAYHAN INTERNATIONAL
in English 7 May 91 p 6*

[Text] Tehran, 6 May (IRNA)—Denmark is keen on cooperating with Iran in the economic and industrial areas including technological and agricultural training, Danish Agriculture Minister Laurits Tornes said here Sunday.

In a meeting with Foreign Minister Ali Akbar Velayati, Tornes also appreciated Iran's humanitarian assistance to Iraqi refugees flocking the country.

Velayati expressed hope that bilateral relations would expand in various fields, and voiced Tehran's readiness to continue economic and industrial cooperation with Denmark.

In related news, Danish experts accompanying Tornes to Tehran, attended a joint symposium with Iranian experts Sunday, to explore ways of increasing cooperation in areas of agriculture and animal Husbandry.

The two day-symposium, will discuss issues relevant to cattle breeding, dairy-farming, food industries, agricultural machinery, usage of pesticides and vegetable seeds.

Iran's Agriculture Ministry is planning to produce an extra four million tons of wheat and fight sand encroachment on a 2.9 million hectare of land during the five year plan enforced last year.

The Danish agriculture minister delivered a speech on bilateral economic cooperation and activation of private and state sectors in both countries in order to promote close mutual contacts.

SCI, UNFPA Sign Cooperation Agreement

*91AS1012D Tehran KAYHAN INTERNATIONAL
in English 13 May 91 p 8*

[Text] Tehran, 12 May (United Nations Information center)—A project document for technical cooperation between the Statistical Center of Iran (SCI) and the United Nations Fund for Population Activities (UNFPA) was signed here Sunday by the deputy head of the Plan and Budget Organization and director of the SCI, Dr. Majid Jamshidi and the UNFPA representative in the Islamic Republic of Iran Sean Finn.

According to the SCI's spokesman, through the joint UNFPA-SCI project, the population department of the center will be able to enhance its theoretical and practical capabilities considerably in the field of demographic data collection and analysis as well as in providing population statistics, through the exchange of experience with the UNFPA.

The UNFPA will offer staff members of the center advance training in the demographic techniques, short-term trainings on micro computers and study tours abroad. The UNFPA will also provide the center with micro computers.

Level of Ties To Brazil To Be Raised

*LD2205215791 Tehran Voice of the Islamic Republic of Iran First Program Network in Persian 0930 GMT
22 May 91*

[Text] A written message from President Hashemi-Rafsanjani was submitted to Brazilian President Fernando Collor de Mello yesterday.

In the message, which was submitted at a meeting between Commerce Minister Vahaji and the Brazilian president, our country's president referred to the deep and friendly relations between Iran and Brazil, and called for the strengthening of mutual ties and the expansion of existing relations.

At the meeting, the Brazilian president expressed his country's willingness to raise the level of relations with Iran and assigned the Brazilian minister of infrastructure to follow up on the matter and raise the level of ties between the two countries.

Our country's commerce minister also discussed mutual ties and ways of expanding them, in three separate meetings with the Brazilian ministers of economy, infrastructure, and foreign affairs yesterday.

Foreign Exchange Allocation Announced

LD2704215491 Tehran IRIB Television First Program Network in Persian 1700 GMT 27 Apr 91

[Text] The Ministry of Industries has announced its readiness to allocate the foreign exchange needed by industrial units up to any amount, on the basis of production capacity. The industrial deputy of the Ministry of Industries made this announcement during an interview with our correspondent today. He said that the amount of foreign exchange allocated to industrial units in the year ending 20 March 1991 was \$3.4 billion and that this amount represents a significant increase in comparison with the \$2.5 billion allocated to industrial units under the jurisdiction of the Ministry of Industries in the course of the previous year. He added: "In the year ending 20 March 1991, no limitation was imposed on the allocation of competitive rate foreign exchange for factories and, ultimately, all the allocated foreign exchange was absorbed."

Sarkhun Gas Refinery Commissioned

LD0205183791 Tehran Voice of the Islamic Republic of Iran First Program Network in Persian 1030 GMT 2 May 91

[Text] The Sarkhun gas refinery, with a daily capacity of 550 million cubic feet, was commissioned this morning at a ceremony in the presence of Deputy Majlis Speaker Mr. Hashemiyan and the managing director of the National Iranian Gas Company.

The refinery complex, with a budget allocation of 46 billion rials, is to supply the gas requirements of Bandar 'Abbas thermal power station, Hormozgan steel industries, al-Mahdi aluminum complex, and Bandar 'Abbas oil refinery.

Also, with the commissioning of the refinery's 24-inch gas pipeline to transfer gas from Bandar 'Abbas to Kerman Province, the gas requirements of Sarcheshmeh copper complex, Copper peripheral industries and residential areas in Sirjan, Rafsanjan, and Kerman will be supplied.

It should be pointed out that the Sarkhun gas reserves are situated 30 km north of Bandar 'Abbas and at present supply the fuel required by Bandar 'Abbas thermal power station, using the equipment at the wells and the pipelines to five wells.

In an interview with a central news unit correspondent, Deputy Majlis Speaker Hashemiyan described the role of gas in the country's industries as important. He said: "The use of gas helps the country considerably in terms of saving foreign currency, preventing pollution, and using cheap energy in the industry."

The managing director of the gas company added: "At present 114 cities in the country have gas networks. Gas supply to 130 towns and the installation of 3,000 km of gas pipelines is under way. He referred to the saving of \$2 billion since the commissioning of the Kangan gas reserves, and added that the pipeline to transfer gas abroad, via Turkey, will soon be built."

Mobarakeh Steel Mill Progress Discussed

91AS1012C Tehran KAYHAN INTERNATIONAL in English 8 May 91 p 8

[Text] Tehran, 7 May (IRNA)—The steel workshop of the Mobarakeh Steel Mill in Esfahan which is being built in cooperation with Italy will become operational 26 September, said head of Italy's I.R.I. Institute, Franco Nobelli in a meeting with Iran's Minister of Mines and Metals Mohammad Hoseyn Mahluji here Monday.

He added that the hot rolling unit of the complex will start operation in February 1992 and the cold rolling unit in March 1992.

Nobelli said Italy is willing to cooperate with Iran in construction of steel complex in Khorasan Province, northeastern Iran, pipeline manufacturing plant in Qeshm Island, in the Persian Gulf and dam-building projects on Karun River in Khuzestan Province, southwestern Iran.

Nobelli in a separate meeting with minister of defense and armed forces logistics Akbar Torkan the same day discussed financial problems and delivery of military equipment to Iran by Italian industrial companies.

Meanwhile, in a meeting with deputy foreign minister for Euro-American affairs, Mahmud Vaezi, Nobelli called for Tehran-Rome cooperation in all fields and said mutual ties should not be limited to industrial cooperation.

Truck Production Increases

91AS1012B Tehran KAYHAN INTERNATIONAL in English 8 May 91 p 6

[Text] Tehran, 7 May (IRNA)—In the last calendar year (ended 21 March), Zamyad Truck Manufacturing Company of Iran excelled its annual production by 672 percent. The trucks were of the N-10 and N-12 models.

The report printed in the current issue of the Persian monthly San'at Sangeen (heavy industries) quotes the managing director of the company as saying that Zamyad has entered into agreements with Volvo of Sweden and Japanese and German manufacturers for buying machine building equipment for 4 and 6-cylinder engines.

He said, the company will also buy precision measurement equipment from Japan and peripheral equipments from Germany, and added once the new equipment start operation Zamyad will have a higher output.

Kuwaiti Pollution Damaging Bushehr Crops

LD2305195691 Tehran Television First Program Network in Persian 1215 GMT 22 May 91

[Text] Pollution caused by the burning oil wells of Kuwait has had damaging effects on the agricultural products of Bushehr Province and has created difficulties for farmers. An official of the Bushehr rural cooperation organization referred to the fact that the damage caused to wheat cultivated by dry-farming has been worse than other products. He added: "As a consequence of this pollution, 40 percent of the produce of the region's farmers has been affected by the pollution and suffered damage."

Domestic Wheat Production Increases

LD2005140591 Tehran IRNA in English 1232 GMT 20 May 91

[Text] Tehran, May 20, IRNA—Domestic wheat production through dry farming method increased to one ton per hectare last calendar year (ending March 20) from 639 kg in 1985, Mohammad Samadi, deputy minister of construction jihad for agricultural affairs, said on Monday.

"Some 4.3 million hectares of farm lands were under wheat cultivation last year, which was 200,000 hectares more than that predicted in Iran's first five-year economic development plan (launched last year)," he told reporters.

On the cultivation of barley through dry farming and irrigation, Samadi said the yield of this crop in per hectare of irrigated farm land stood at 2,300 kg last year as estimated before.

However, he noted, because of the use of unsuitable varieties of seeds, the cultivation of barley through dry farming was not successful despite covering 1.3 million hectares of farm lands. The deputy minister added that the corn production rose from 3.5 tons per hectare in 1985 to 4.5 tons last year. He cited an increase in the production of sorghum as another achievement of the construction jihad ministry last year, with the output of the crop rising to 41.3 tons per hectare from 19 tons in 1985.

On chemical fertilizers, he said since the ministry of construction jihad was entrusted with the task of procuring and distributing fertilizers in 1988, it has purchased 1.7 million tons of fertilizers (1.25 million tons from abroad) and distributed them among farmers.

"One billion dollars has been earmarked for the import of agricultural machinery during the five-year development plan and three billion dollars for the industrial sector to import spare parts and components of such machinery," he said.

Broadcasting Chief Describes Policymaking Guidelines

LD2105220591 Tehran IRIB Television First Program Network in Persian 1630 GMT 21 May 91

[Text] Mr. (Do'agu), head of the policy-making council of the Voice and Vision of the Islamic Republic of Iran, elaborating on the objectives of the Voice and Vision's policy making, said in an interview with reporters today that the policy-making council has three responsibilities which include: Determining the main program policies and lines, supervision of programs and their assessment, and investigation of the public's views and complaints.

He added that the council determines the content and message of all programs and submits them to the executive department. In the fields of poetry, music, feature films, series, theater, and also in various other programs the permissible and impermissible parameters have been established. Also, the promotion or lack of unislamic dress in programs—pictorial or otherwise—is inadmissible and so is any country's national music unless that music is broadcast within permissible feature films and accompanying permissible programs.

The head of the policy-making council of the Voice and Vision pointed out that the form and content of programs must be such that, with regard to the formation of character, they are independent and Islamic. Also, the sacred models and symbols of the community must not be toyed with or ridiculed. The content of programs must be constructive and cultural so that the people's finer feelings and emotions are properly utilized in order that the people can choose sound political behavior.

In conclusion, Mr. (Do'agu) added: Fortunately, in the Voice and Vision there are sufficient resources and expert, committed, and responsible individuals so that if strong planning takes place the established policies are quite capable of being deployed and implemented.

Medics Abroad Encouraged To Return Home

91AS1011A Tehran KAYHAN INTERNATIONAL in English 18 May 91 p 1

[Text] Tehran (IRNA)—The government is to provide some facilities for Iranian medics and experts abroad regarding military service, employment, housing and their household appliances and cars in order to encourage them to return home.

This was announced during a meeting between Health Ministry officials and a group of 180 Germany-based Iranian doctors who are on a homecoming visit.

Addressing the doctors, Health Minister Dr. Reza Malekzadeh said "our country is going through a reconstruction phase and hence it is incumbent upon every freedom loving Muslim Iranian to help remove the difficulties."

He added that the number of medical colleges in Iran has increased from a mere nine before the victory of the Islamic Revolution to 28 now, with an enrollment of 30,000 and a 4,000 member academic staff.

Chairman of the medical science academy, Dr. Iraj Fazel told the homecoming Iranian medics: "This is your home and therefore you don't need an invitation. You can return to your country forever or temporarily whenever you desire so."

Fazel, the former health minister, added that "those considering themselves Iranian and Muslim should cooperate with one another to solve the problems of their country and this certainly requires time, endeavor, devotion and self-sacrifice."

Dr. Maknoon, official in charge of a council for attraction of the Iranian experts from abroad told the audience that some of their demands which fall within the authority of the Health Ministry have been met and the others were pending government approval.

He also briefed the doctors on the steps so far taken by Iran towards the well-being of those Iranian experts willing to return home.

Some 3,000 Iranian medical practitioners including specialists are living in Germany alone, and 10,000 more are scattered throughout Europe and America. In addition, 30,000 Iranian students are presently studying medicine abroad.

Iranian Doctors in Germany Willing To Return Home

*91AS1011B Tehran KAYHAN INTERNATIONAL
in English 19 May 91 p 1*

[Text] Mashhad, (IRAN)—Twenty three Germany-based Iranian doctors have expressed desire to return home, according to the head of the Iranian doctors in Germany Sadeq Najafizadeh here Friday.

He said if the government of Iran should offer certain facilities to Iranian doctors now residing in Germany by next March at least 100 of them will have returned home. Najafizadeh who is visiting Mashhad along with 170 visiting Iranian doctors from Germany, said the group of Iranian doctors have offered to finance the college education of 45 Iranian medical students now studying in Mashhad and Kashan of Iran.

The group of Iranian doctors have also brought along with themselves as much as 3.5 tons of rare medicines and supplied it to the Iranian Health Ministry.

Meanwhile, an editorial in the Persian daily ABRAR Saturday commented on the homecoming visit of a group of Germany-based Iranian medics stating that any Iranian returning home must be at the service of the Islamic Revolution.

The Iranian authorities have always stressed that all Iranians abroad who have committed no crime or treason against the country are free to return home, the daily said. This mainly applies to those who are reluctant to return home due to propaganda by the counter-revolutionaries.

The daily however noted that "homecoming of the Iranians abroad must in no way be considered as impugnation of the revolutionary values. The Islamic Revolution does not owe anything to any group and those who return must be at the service of the revolution."

PAKISTAN

Indus Water Apportionment Viewed

*91AS0920G Lahore VIEWPOINT in English 25 Apr 91
pp 30-31*

[Text] The following was agreed at the CCI [Council of Common Interests] meeting:

That the issue relating to Apportionment of the Waters of the Indus River System should be settled as quickly as possible.

NWFP Balochistan projects which are under execution have been provided their authorised quota of water as existing uses.

Balance river supplies (including flood supplies and future storages) shall be distributed as below:

Industrial and urban water supplies for a metropolitan city, for which there were sanctioned allocations will be accorded priority.

The need for storages, wherever feasible on the Indus and other rivers, was admitted and recognised by the participants for planned future agricultural development.

The need for certain minimum escapage to sea, below Kotri, to check sea intrusion was recognised. Sindh held the view that the optimum level was 10 MAF, which was discussed at length, while other studies indicated lower/higher figures. It was, therefore, decided that further studies would be undertaken to establish the minimal escapage needs downstream Kotri.

There would be no restrictions on the provinces to undertake new projects within their agreed shares.

No restrictions are placed on small schemes not exceeding 5,000 acres above elevation of 1200 ft. SPD. [as published]

No restrictions are placed on developing irrigation uses in the Kurram/Gomal/Kohat basins, so long as these do not adversely affect the existing uses on these rivers.

There are no restrictions on Balochistan to develop the water resources of the Indus right bank tributaries flowing through its areas.

The requirements of LBOD [Left Bank Outfall Drain] will be met out of the flood supplies in accordance with the agreed sharing formula.

For the implementation of this accord, the need to establish an Indus River System Authority was recognised and accepted. It would have its headquarters at Lahore and would have representation from all the four provinces.

a) The system-wise allocation will be worked out separately, on ten daily basis and will be attached with this agreement as part and parcel of it.

b) The record of actual average system uses for the period 1977-82, would form the guideline for developing a future regulation pattern. These 10 daily uses would be adjusted pro-rata to correspond to the indicated seasonal allocations of the different canal systems and would form the basis for sharing shortages and surpluses on all Pakistan basis.

c) The existing reservoirs would be operated with priority for the irrigation uses of the provinces.

d) The provinces will have the freedom within their allocations to modify system-wise and period-wise uses.

e) All efforts would be made to avoid wastes. Any surpluses may be used by another province, but this would not establish any rights to such uses.

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